



**Homesick soccer star who won't play away**  
page 44

Plus CREME



**Scientific scoops that never happen**  
page 18

Plus INTERFACE



**Genius who made this building stay up**  
page 35

**30**

## Britain will veto common EU tax

By CHARLES BREMNER  
IN BRUSSELS  
AND PHILIP WEBSTER

LABOUR'S honeymoon with Europe was under strain last night after France and Germany demanded an end to Britain's and other countries' veto on European tax decisions.

The demand, by Oskar Lafontaine and Dominique Strauss-Kahn, the German and French Finance Ministers, left Britain looking increasingly isolated in the row over the harmonization of European taxes.

Herr Lafontaine's intervention, coming soon after Gordon Brown had vowed to block any attempts to impose "Europe-wide tax rates, provoked astonished reactions in the British Government.

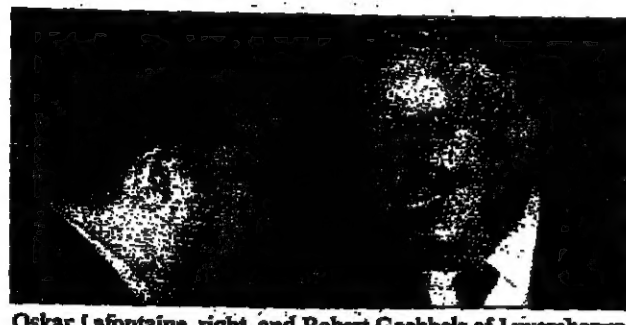
After months in which it has carefully cultivated an image of harmonious relations with the European Union, the old language of vetoes reappeared last night in London.

Stephen Byers, Treasury Chief Secretary, told the Commons that Britain would veto any attempts to change business tax rates. VAT on food, children's clothes, books and newspapers, and that it would veto the EU's proposed "withholding tax" unless it was changed to protect the London Eurobond market.

As the hardened line emerged, British officials showed growing impatience with Herr Lafontaine who appears to be relishing his guise as the Eurosceptic new boy on the block.

"We understand that it takes a little time for the new German Government to settle down, but hardened diplomats are astonished at the display they are showing," one said.

Tony Blair's press spokesman said that there was not a "cat's chance in Hell" of Herr Lafontaine's proposal to end



Oskar Lafontaine, right, and Robert Goebbels of Luxembourg

tax vetoes succeeding. It was pointed out by British officials that such a change would require a unanimous vote - and that Britain was among several countries that would oppose it - as well as an amendment of the EU's founding treaty.

But the intervention by the two finance ministers at the Brussels finance council seemed aimed at compounding British embarrassment. Mr Brown had been striving to limit the damage caused by Britain's resistance to current tax measures and to play down the scope of EU plans.

In a display of French humour, M. Strauss-Kahn hugged himself and gave a mock shiver of horror when asked about London's likely reaction to his veto ideas.

Mr Brown said the Franco-German idea was "simply not going to happen".

Herr Lafontaine and M. Strauss-Kahn demonstrated their impatience with British opposition to tax harmonisation.

tion after their governments, both now under socialist control, promised closer fiscal co-operation in the interest of building a "genuine European social model" inside monetary union.

Both ministers said that the only way to speed common tax policies was to shift from the rule of unanimity to decision-making by qualified majority vote. "It is my personal view that we eventually must go to qualified majority voting on the sensitive issue of taxes," Herr Lafontaine said. "The principle of unanimity must be broken."

M. Strauss-Kahn said that majority voting was "absolutely" needed. "Either you want tax harmonisation or you do not. This is a subject where majority voting is desirable."

Any decision to ditch the veto on tax policy could be vetoed by any EU state, but the Franco-German proposals reflect the increasing desire among the 11 states of the sin-

gle currency to forge ahead with "levelling the fiscal playfield" inside their zone.

Both ministers also said that the EU must move to set minimum rates for corporate taxation, an idea not yet officially on the table and flatly rejected yesterday by Mr Brown. M. Strauss-Kahn said fixing minimum rates "is the whole idea of the operation" to harmonise taxes.

Himself in humorous mood, Herr Lafontaine wondered whether British views on tax harmonisation were distorted by its island geography. Petrol in Britain was the dearest in Europe because drivers could not simply cross the border to fill up in lower-tax states as their continental cousins could, he said.

The Franco-German duo, who have become a formidable force in EU policy-making, each said that they were talking about the future and had not brought up the veto or minimum taxes at yesterday's session of the Ecofin, or finance council, which was devoted to the present package of tax measures. However their decision to air such explosive ideas with the media seemed to some continental diplomats to be a deliberate provocation as Britain hesitates about joining monetary union.

Mr Brown dismissed the Franco-German talk of scrapping vetoes on the ground that any such move would itself be subject to veto. "Tax proposals require unanimity and even a change to that requires a treaty change which requires unanimity and that is simply not going to happen," he said. He also said that there was no reason for establishing minimum rates for business tax.

The Chancellor appeared to be following Downing Street's line, sketched yesterday by the Prime Minister's spokesman.

Continued on page 2, col 1



Joella Holliday, who has won her fight to be registered as a girl. She will now be allowed to marry when she comes of age

## Joella is classed as a girl at last

By ADRIAN LEE

A GIRL who was officially classed as a boy for the first ten years of her life has won a long fight to have her birth certificate changed.

Joella Holliday was christened Joel but, because she was suffering from a rare medical condition, underwent an operation at the age of 17 months to give her a better quality of life as a girl.

Following an eight-year battle by her mother, the Office of National Statistics has taken the unusual step of allowing the sex on her birth certificate to be altered.

Joella will be renamed in a ceremony later this month and the ruling means she will

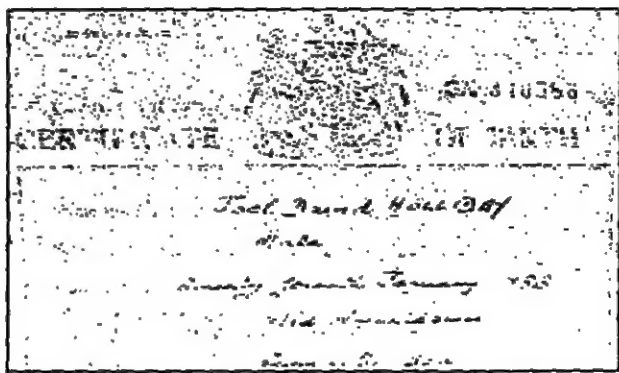
eventually be allowed to marry. However, the ruling will not allow transsexuals who change their gender to alter their birth certificates.

Born without several internal body parts, Joella was raised as a boy for a year. Then doctors told her mother, Julia Farmer, of Finchbeck,

Lincolnshire, that the child's only chance for a normal adult life was an operation to make her female.

Mrs Farmer, 30, said: "They said we should set a day from which we should start treating her as a girl. We chose her first birthday and put her to bed as a boy. The next morning we put on a dress and she became Joella."

An application shortly after the operation to have the birth certificate changed was refused. Her mother enlisted the help of Professor Charles Brook of Great Ormond Street Children's Hospital, who argued that Joella was born with characteristics of both sexes and that it had been a mistake to register her as a boy.



The birth certificate registering Joella as Joel David

### Linear B sleuth Chadwick dies

John Chadwick, the Cambridge philologist, has died aged 78. With Michael Ventris he was instrumental in deciphering the ancient Linear B script on clay tablets from Crete. Page 25

### Times appeal

The Times Christmas Appeal, for research into Alzheimer's disease, a project to save cheetahs and building a bridge wrecked by Hurricane Mitch in Honduras, is launched today. Pages 6, 21

TV & RADIO	46-48
WEATHER	24
CROSSWORDS	24, 48
LETTERS	21
OBITUARIES	23
SIMON JENKINS	20
ARTS	34-36
CHESS & BRIDGE	41
COURT & SOCIAL	22
LAW REPORT	40
HOMES	37, 39
BUSINESS	25-29

Buying The Times overseas  
Australia \$10.50; Belgium 18 Ffr 100; Canada \$10.50; Channel Islands 18 Ffr 100; Denmark 18 Ffr 100; Finland 18 Ffr 100; France 18 Ffr 100; Germany 18 Ffr 100; Gibraltar 18 Ffr 100; Greece 18 Ffr 100; Hong Kong 18 Ffr 100; India 18 Ffr 100; Ireland 18 Ffr 100; Italy 18 Ffr 100; Japan 18 Ffr 100; Korea 18 Ffr 100; Luxembourg 18 Ffr 100; Malaysia 18 Ffr 100; Mexico 18 Ffr 100; New Zealand 18 Ffr 100; Norway 18 Ffr 100; Portugal 18 Ffr 100; Singapore 18 Ffr 100; Spain 18 Ffr 100; Sweden 18 Ffr 100; Switzerland 18 Ffr 100; Taiwan 18 Ffr 100; Thailand 18 Ffr 100; Turkey 18 Ffr 100; USA \$10.50; Venezuela 18 Ffr 100; Zimbabwe 18 Ffr 100.



## Rail company charged with manslaughter

By STEWART TENDLER, CRIME CORRESPONDENT

Great Western Trains is being prosecuted for corporate manslaughter over the deaths of seven passengers in the Southall rail crash in September last year.

The company is also facing a prosecution by the Health and Safety Executive under the 1974 Health and Safety at Work Act. The prosecution alleges that Great Western "failed to conduct an undertaking, namely the provision of transport by rail to members of the public, in such a way as to ensure that the public were not exposed to risks to their health and safety".

Seven died and 147 were injured in the crash, when the 10.32 Swansea to London express run by Great Western Trains was in collision with an empty freight train on 19 September. The driver of the ex-

press, Larry Harrison, 51, from Gravesend, Kent, has already been charged with seven counts of manslaughter and is due to reappear in court on Friday.

The seven manslaughter summonses were served on the company yesterday by officers of British Transport Police after investigations by a special team of detectives. If the company is convicted it would face unlimited fines in a case which could mark a legal milestone.

The summonses and the HSE charge are returnable to Ealing magistrates' court near the scene of the crash on January 12. Because the case involves a company the dock will either be empty or an official from Great Western, such as the company secretary, will be present.

For the past year the BTP team under Detective Superintendent Graham Satchwell, one of the force's most senior detectives, have been investigating the background to the crash. Officers have interviewed over 400 GWR drivers and also several directors of the company.

A public inquiry into the accident was opened in February 1998 but adjourned after just two hours pending the outcome of any prosecutions that might be brought.

Yesterday Des Collins, senior partner of Collins solicitors of Watford, Hertfordshire, whose firm represents about 40 people either injured in or bereaved by the Southall crash, said: "It is vitally important in cases like this that we look beyond the first cause of a railway accident."

## Oil merger forges new global giant

FROM OLIVER AUGUST IN NEW YORK

THE business world's record books were rewritten again yesterday as Exxon, the Esso oil giant, took over its American rival Mobil in a deal worth \$82 billion (£60 billion).

The takeover, the biggest in the history of world stockmarkets, shattered the records set and reset again and again this year by corporate America's wave of mergers and acquisitions. The Exxon Mobil behemoth, with \$200 billion of sales worldwide, reshapes the global oil industry, propelling the company ahead of the Anglo-Dutch combine Shell and BP, the British company which only recently took over America's Amoco.

The deal was confirmed during another hectic day of takeovers. Total of France bought its Belgian rival Petrofina. In addition, giant German industrial concern Hoechst clinched

a major link-up with the French pharmaceuticals company, Rhone-Poulenc. This year has already seen a wave of telecommunications and banking mergers in the US, the previous record of \$76 billion having been set by two phone companies, SBC and Ameritech.

Exxon Mobil, which will power one in five of America's cars, will come close to recreating the legendary business empire of John D. Rockefeller. The Supreme Court broke up Rockefeller's Standard Oil Company 87 years ago because it had monopolised the energy market.

Executives are set to reap up to \$50 million each and the fees earned by bankers at Goldman Sachs and JP Morgan will be huge.

Record deal, page 25

## Turner Prize proves the ordure of the day

By DALYA ALBERGE  
ARTS CORRESPONDENT

ELEPHANTS at London Zoo have enabled an artist to win £20,000 for this year's Turner Prize. Chris Ofili, who uses dried dung in his paintings, gets his supplies from the Elephant House in Regent's Park and was last night presented with the award at the Tate Gallery.

Ofili was outright favourite to win from the moment the shortlist - which included Cathy de Monchaux, Tacha Dean and Sam Taylor-Wood - was announced.

Even the controversy of his choice of material - not to mention titles such as *Afrodisia* and *Glued-on cut-outs from pornographic magazines* - pales against the outcry over Damien Hirst's pickled and sliced cows in 1995.

The Turner Prize is open to British artists under 50 for an outstanding exhibition during the previous 12 months. Ofili, 29, who was born in Manchester to a Nigerian family, is the first painer to win since Howard Hodgkin in 1985.

The idea of using dung - which he sprinkles with glitter and studs with map pins - came to him after a trip to Zimbabwe, where there was a lot of it about. According to Michela Parkin of the Tate Gallery, he had been frustrated with his work. "One day, he thought, 'I'm going to chuck this stuff at the paintings'. That's how it started."

Among recent compositions is *Rodin - The Thinker* in which a scantily-clad woman is said to have been inspired by a photograph published in a pornographic magazine and by Rodin's famous sculpture.

Balls of dung bear the title's words.

Tate Gallery curators have likened Ofili's paintings to the visionary imagery of William Blake, and critics have hailed the complexity of imagery which addresses stereotypes of black culture, identity and sexuality.

But others have been less inspired. Brian Sewell, in the *Evening Standard*, exclaimed: "I am sick of shit masquerading as art." David Lee, editor of *Art Review*, dismissed the use of dung as a gimmick. The jury included Neil Tennant of the Pet Shop Boys, the author Marina Warner, British Council exhibition officer Ann Gallagher and Japanese curator Fumio Nanjo, as well as the Tate Gallery's director Nicholas Serota. For them, Ofili's paintings exude an "inventiveness, exuberance, humour and technical richness".



"It's amazing how the smell seems to follow you around the room"

Store Hours this Week  
Wednesday to Saturday 10.00am until 6.00pm  
Thursday 10.00am until 7.00pm

Elisa Peretti designs  
"Diamonds by the Yard"  
Set in eighteen carat gold from £110.  
Set in platinum from £220.

**TIFFANY & Co.**  
SINCE 1837  
LONDON 25 OLD BOND STREET W1 6LU 020 7594 1200  
HARRISON, KNIGHTSBRIDGE W11 1JH 020 7594 1200







# Oxford ready to suspend women in fees protest

Victoria Fletcher on a dispute over two students who are refusing to pay towards their university education

OXFORD University is preparing to suspend two women students for refusing to pay their £1,000 tuition fees.

The suspension, which will take effect from the start of next term, would effectively end the academic career of the Balliol undergraduates Kate Atkinson and Alice Nash, who would be banned from entering the university premises or using vital facilities including the library.

Both women are middle-class and can afford the fees, but are refusing to pay on principle. Miss Atkinson, 18, who is studying PPE, was the deputy headgirl at the prestigious independent school, Rodan and is the daughter of a Department of Trade and Industry civil servant from East Sussex. Miss Nash, a 19-year-old student of history, attended Britain's top sixth-form college, Hills Road in Cambridge, and has already been given the £1,000 fees by her parents.

The women say that they are protesting for future generations of poorer students, who may abandon university because of the cost.

Miss Nash said: "People assume tuition fees have been accepted and it's all done and dusted. But we are going to make a stand against it. We are not decided to stop our campaign because of this threat of suspension and we will continue to fight indefinitely."

Miss Atkinson added that it had been difficult to cause such controversy in the first term of their university career. "I have never been political but the Government can't get away with this. It's going to affect who goes on to higher education in Britain forever."

She said that both her parents fully supported her actions, even if eventually it led to the end of her studies at Oxford.

The university has already offered extensive support for

students unable to afford the Government's new tuition fees and recently set up a scheme to pay all or part of the fees of hard-up students. Although it has been unwilling to suspend students who cannot pay, it appears to be happy to use these powers against those who refuse to pay.

The two women have until Friday to hand over the £1,000. Andrew Graham, the master of Balliol, has told them that if they miss the deadline he will give their names to university authorities and they will be prohibited from entering even the Examination Schools. He has also warned them that if they have not paid by the end of next term the college could withhold their residency.

In October Balliol was unique in its decision to prevent both women from matriculating, or officially joining the university, because they had refused to pay their fees. Every other Oxford college allowed matriculation, regardless of whether fees had been paid, leaving disciplinary matters over fees to the university.

But yesterday Mr Graham said that, by accepting their places, they were legally obliged to pay the fees. "I do not wish to stop them making a protest. But we think people are obliged to pay these fees

and we will make sure students are aware of what the consequences are of not paying them."

The two women have become something of a cause célèbre around Oxford and have the full backing of Balliol Junior Common Room, which is threatening an "occupation of college" if further action is taken. Ricken Patel, the President of Balliol JCR, has also announced that he will quit Oxford if the two women are forced to leave. He said: "This is one of the most important decisions a country can undertake and there has not yet been an intelligent public debate about these fees. It's incredible."

The £1,000-a-year university tuition fees were introduced this year. The Government announced its intention to do so last summer, provoking a political row.

The Tories condemned the measure as one that would discourage thousands of young people from going to university. And Labour backbenchers were uneasy at what many, particularly the old guard, saw as a betrayal of the principle of free state education for all. But David Blunkett, the Education Secretary, defended the introduction of fees as the only means by which the nation could afford to maintain the higher education system.

The fees were announced at the same time as the Government was planning to bring in a vast expansion of higher education with many more young people being given the chance to study for a degree.

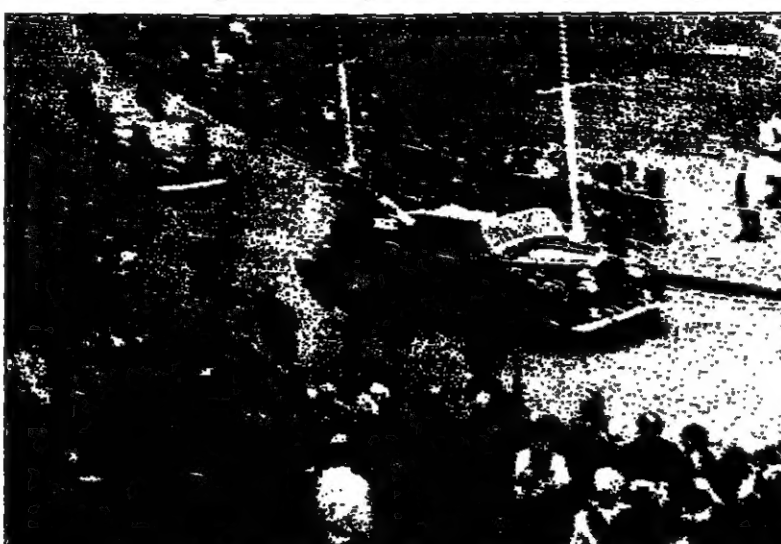
Mr Blunkett said the fees would enable his department to support the massive cost of increasing the number of university places. He insisted that entrants from the poorest backgrounds — about a third of all students — would not have to pay. But many students remain unconvinced of his arguments and there have been protests around the country.



Balliol: the college has set a Friday deadline



The horse rears up after touching the wheels of the Queen's carriage, below left, throwing the trooper to the ground, where he is tended by police officers



## Trooper collides with Queen's carriage

A TROOPER from the Household Cavalry taking part in the royal procession to honour the four-day state visit of President Roman Herzog of Germany was thrown from his horse after colliding with the Queen's carriage in Windsor yesterday (Alan Hamilton and Michael Evans write).

The trooper from The Blues and Royals, wearing the traditional breastplate and plumed helmet, suffered a shoulder injury when the horse suddenly reared up as the procession was on its way to Windsor Castle. The drama began in Thames Street, Windsor,

when the horse in the second row of the procession in front of the carriage bearing the Queen and President Herzog became restless. The trooper struggled to restrain his mount but, as he tried to move away from the procession, the horse touched the wheels of the Queen's carriage and another carriage. Witnesses said that the Queen had looked "very startled".

Peter Stead, 22, said: "After the carriage had gone past, the horse reared up and the horse and rider fell backwards. The horse was on top of the rider." Last night a spokesman for the

Household Cavalry said that the trooper's injuries were not as serious as feared and that he had been released from hospital after treatment. The horse, Reavley, had suffered cuts and bruises.

Thames Valley Police said that the Queen and President Herzog had asked about the trooper's condition.

The cavalryman, who was not named, was part of the Sovereign's Escort, and the horse had been trained to handle the sound of military bands, traffic noise and other distractions while on ceremonial duties. The

Household Cavalry spokesman said that it was unusual for a horse to rear up during a procession: "No one will know what made the horse behave like that."

The escort of the Queen and President Herzog was provided by 120 members of The Blues and Royals and The Life Guards.

Yesterday afternoon President Herzog visited a German school at Petersham, Surrey, before returning to Windsor to attend a state banquet under the spectacular new hammerbeam roof of St George's Hall.

## Giant Haystacks killed by cancer

THE wrestler Giant Haystacks — famous for his battles with Big Daddy — has died of cancer.

The fighter, whose real name was Martin Ruane, was at home with his family in Prestwich, Manchester, when he died on Monday after a two-year struggle against the disease.

His former promoter Max Crabtree said: "He was a big star and always played the bad guy but he loved his wife Rita and his three children."

The wrestler, 30, had undergone surgery and chemotherapy to remove a tumour in his abdomen at Christie Hospital in Manchester and his weight had fallen from his usual 49 stone to 24 stone.

In his prime, the wrestler attracted a television audience of up to 16 million. His breakfast alone would consist of a box of Westbix, 3lb of bacon, a dozen eggs and a loaf of bread.

Interviewed in April this year the star said: "I don't want to thrash the world anymore or beat the living daylights out of my ring rivals. My greatest joy these days is just waking up, seeing the



Martin Ruane, known in ring as Giant Haystacks

blue sky and hearing the birds sing. Cancer was my biggest opponent and the worst thing is you cannot see it. You never know where it is going to attack you from next. I was a big strong guy but I was still terrified of what was happening to me.

He added: "In my career I've broken most of my bones. I've been covered in bruises and had gashes requiring 500 stitches. But nothing prepared me for my fear of dying on the operating table powerless to fight back."

## Two die as bus hits shoppers

By PAUL WILKINSON

TWO teenage girls were killed and a two-year-old girl suffered a fractured skull yesterday when a bus ran out of control into a queue of shoppers.

Initial reports suggested that the brakes of the single-decker had failed as its driver pulled into the bus depot in central Sunderland. The bus, operated by Stagecoach, ploughed through railings into the queue. It carried on for a further 20 yards, dragging the two teenagers beneath it.

Eight paramedic teams and a doctor were at the scene within minutes. Firefighters used cutting equipment to free the girls but they were pronounced dead on arrival at hospital.

The two-year-old was first taken to Sunderland Royal Infirmary but later transferred to a specialist unit at Newcastle General Hospital. Seven other people were detained at the Sunderland hospital with various injuries. One is said to have a serious arm injury.

Inspector Ken Short of Northumbria Police said they

were still looking for the toddler's parents. "Clearly a two-year-old would not be by themselves."

He added: "The emergency services coped very well. The fire service have done a tremendous job releasing the people from under this bus. We have spoken briefly to the driver and he has been released from the hospital. He was said to be uninjured but suffering 'sleep shock'."

A witness, John Lamb, 68, from Hendon, Sunderland, was in the bus station when he heard the bus crash and turned to see casualties on the floor.

He said: "It just drove straight through the bus stop into a queue of people. The paramedics asked me to help a woman who was bleeding. I kept her neck still while they put a collar on her."

Terry Terivan, Stagecoach divisional traffic manager, said: "There is going to be an investigation but it is too early to say what happened. The driver has been with us for a number of years."

## Let us pray — on the Internet

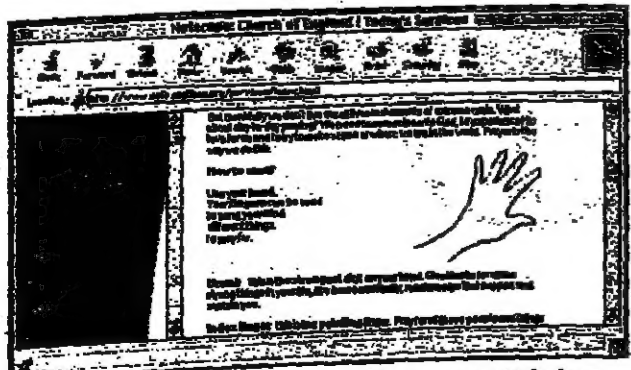
By RUTH GLEDHILL  
RELIGION CORRESPONDENT

KNEELING is no longer necessary when praying, the Church of England has announced on its new website, which also gives a simplified fingers-and-thumbs guide on how to pray.

"How to start? Use your hand. Your fingers can be used to bring your mind different things to pray for," the Church advises, illustrating its instructions with a graphic of a hand in case the message is not clear.

The Church's official site, launched yesterday, adds kneeling is the traditional praying posture but you don't have to.

The content of the website is an indication of how secularised the Church feels the nation has become. It compares the discipline of praying to di-



Church of England's website guide to prayer technique

eting, or weeding the garden: "Little and often is best, but don't give up. Prayer can happen anywhere — walking, standing, sitting, whatever else feels comfortable."

The Church urges people to "be creative" in their praying. "Use music, a stone, a feather, a flower, or a candle to help you focus." But it warns: "If

you are little, or elderly, be careful with candles!"

God hears every prayer, the Church insists, and prayer is easier than is imagined. "Words can often get in the way. Say what is in your heart, what you feel," the Church says.

As to praying-by-fingers, it suggests that the thumb is the

"strongest digit" and signifies prayers for the strong things in life, such as home and family. The index finger is the pointing finger: "Pray for all those people in your life who guide and help you."

The middle finger is the "allies finger", suggesting prayers for "the people who have power in the world."

The ring finger, meanwhile, is the "weakest finger" which can do little by itself. "Remember the poor, the weak, the hungry, the sick," the Church says, while adding that the little finger is "the smallest and the last finger on your hand. Pray for yourself."

The website also gives daily prayers and readings and advice on how to join. "It is difficult to be a solitary Christian," it says. "Yet sometimes churches can seem either overwhelming or remote."

□ www.cofe.org.uk

IMPORTED

ABSOLUT

VODKA

ABSOLUT OFILI.



iMac™ has opened everyone's eyes with its amazing looks and its amazing simplicity. But now it's not only easy to use, it's easy to own. Because you can get an iMac for £29.95 a month and better still after paying a small deposit, the repayments don't start for 5 months.\* Take advantage of this incredible offer and open a world of opportunities for you and your family. Find out how easy the iMac is to own by calling one of the following Apple resellers:

0800 614 581  
0181 519 4497  
0171 833 0888  
0800 018 3557  
0171 460 7766  
0181 964 9772  
0171 602 9444  
0171 323 0220  
0171 636 2547  
0161 361 1599  
0161 273 5562  
0800 514 581  
01908 640313  
0115 950 5552  
0115 916 5366  
01865 728 7000  
01253 881 800  
01772 610100  
01189 500 551  
0118 950 350  
01737 644 829  
01708 479 898  
0114 241800  
01438 222555  
0121 354 9122  
01684 391122  
01942 892818  
01708 220 527  
01925 444499  
01925 253447



\*Typical Example: recommended retail price of iMac G999 inc. V.A.T. per £50 deposit (or 5% if greater) and then nothing more for 3 months. If you repay the balance before the end of the five month period you will not pay any interest, or pay 42 installments of £20.95 at 17.9% APRR. Total amount repayable £1,307.50. Finance is subject to status. Written quotations at allable on request from participating apple resellers (listed above). Offer is open from 16 November 1998 to 15 January 1999 inclusive for purchasers of iMac through participating apple resellers. © 1998 Apple Computer Inc. All rights reserved. The apple logo is a registered trademark and iMac is a trademark of Apple Computer Inc.

THE Archdiocese of New York, Dr. Carol Drury said that he was "not a convicted felon."

He drew a line and made a statement indicating to the jury that "no intent" to treat Dr. Drury as a felon, he added that "the court" "unquestionably" "cannot" "can the court" "distress caused" "in many people" "ing to engage in" "worship under"

Dr. Carol Drury said on record on the New York trial, rejecting the claims of prelates that he was "wholly convicted."

Buy your car insurance  
a whole lot more the  
Because you'll save 5  
Direct Line. Rest assured  
breakdown service in 15  
**CALL 018**



# Tatchell's 1860 offence earns £18.60 fine

By RICHARD DUCE

A MAGISTRATE yesterday fined the homosexual activist Peter Tatchell £18.60 in a reference to the date of the law used to convict him of disrupting the Archbishop of Canterbury's Easter sermon with a protest.

Tatchell could have been jailed for up to two months under the Ecclesiastical Courts Jurisdiction Act of 1860 but Michael Kelly, the magistrate, made it clear that times had moved on since the law was last used in 1966. Mr Kelly dismissed Tatchell's protest in Canterbury Cathedral against Dr George Carey's views on homosexual rights as "puerile conduct which will soon be forgotten although your cause may not be".

Mr Kelly, 49, said he was satisfied that Tatchell's protest had been "indecent" within the terms of Section 2 of the 1860 Act and he was bound by the finding in 1966 in which an anti-Vietnam War protester was jailed for two months.

He did not agree with the decision of those magistrates to pass a jail sentence and told Tatchell that some people would have applauded his actions. "But I suspect that the vast majority will regard your conduct as an insignificant and transient incident in the history of a great cathedral."

During the two-day hearing in Canterbury, the court heard how Tatchell, along with six other members of the gay rights group, OutRage!, had



Benn: compared Tatchell to Gandhi

interrupted the Easter service in April just as Dr Carey was about to give his sermon. They were armed with placards saying "Carey opposes equal age of consent".

Tatchell began to address the 2,000 congregation before being led away by a police superintendent. He was the only protester to be arrested.

Tatchell, from Bermondsey, southeast London, had about 20 supporters in court but neither he nor they said anything as Mr Kelly announced first that he had decided on a guilty verdict and then, after mitigation from Mark Guthrie, for the defence, that there should be a fine of £18.60 with prosecution costs to pay of £320.

Mr Guthrie had argued that under the new Human Rights Act, Tatchell's right to freedom of speech was protected under Section 10. However, Mr Kelly ruled that the protest infringed

Section 9, which enshrines the freedom to worship.

Mr Kelly, who usually sits as the Woolwich and Greenwich stipendiary in London but tried the case to avoid any local bias, told Tatchell: "Section 9 gives the right to manifest religious belief and worship. I think your conduct infringed that right on one of the most important days of the Christian calendar."

He said that he accepted that Tatchell was a man of good character with a "clear commitment" over the past 29 years to his cause of establishing equal rights for the lesbian and gay community.

Earlier Tatchell, 46, had called on the testimony of the Labour MP and constitutional expert, Tony Benn, who told the court: "The difference between democracy and autocracy is that democracy recognises that cultural change may make existing laws obsolete."



Tatchell outside Canterbury court yesterday. "I don't regard myself as being guilty of committing a crime," he said

Conscience is above the law, conscience is God-made and the law is man-made."

During his testimony, Mr Benn, who has known Tatchell for 17 years, likened the case to those of Mahatma Gan-

dhi and Nelson Mandela, who were both imprisoned because of their principles for offences that no longer exist.

After the hearing, Tatchell said: "I have been found guilty in a court of law but I don't re-

gard myself as being guilty of committing a crime. My prosecution was under an unjust and oppressive law."

Since he was charged, pressure has grown to have the 1860 Act repealed. The cam-

paign has the support of the Bishop of Edinburgh, the Right Reverend Richard Holloway, as well as people such as the playwright Harold Pinter and the author Sir Ludovic Kennedy.

## Teachers face inquiry over party drugs claim

By SHIRLEY ENGLISH

TWO teachers have been accused of gross professional misconduct after pupils allegedly smoked cannabis at parties at their home.

Brigid Bell and Richard Yule, both in their 20s, are expected to face an internal disciplinary hearing next week. If found guilty they could lose their jobs.

They were suspended three weeks ago from Oban High School, in Argyll and Bute, after colleagues raised concerns with the school's rector.

Police decided not to bring criminal charges. An inquiry by local education chiefs resulted in the disciplinary charges. It is understood to have been alleged that the teachers invited pupils to parties at their flat opposite the school, during which some of the pupils smoked cannabis.

In September three pupils were excluded after two of them allegedly smoked cannabis at the school. The school later issued a statement appealing to the community to help to fight drugs in Oban.

## Carey 'satisfied' by court verdict

By RUTH GLEDHILL, RELIGION CORRESPONDENT

THE Archbishop of Canterbury, Dr George Carey, said that he was "satisfied" by the conviction of Peter Tatchell.

He disclosed that he had made a statement in advance indicating to the court that he had "no interest in punitive treatment of Mr Tatchell". But he added that, by convicting him, the court had "recognised unequivocally that his behaviour cannot be condoned; nor can the considerable pain and distress caused by Mr Tatchell to many people who were trying to engage in their right to worship unmolested."

Dr Carey defended his record on the issue of homosexuality, rejecting Mr Tatchell's claims of prejudice. He said that he was "publicly and wholly committed to a continu-

ing dialogue with homosexuals — individually and in groups — both within and outside the Church".

The Church Society, an evangelical lobby group in the Church of England, described the fine as "a bit of a joke". The Rev David Phillips, the director, said: "It shows that what Peter Tatchell did was wrong, without being too heavy on him. What he did was wrong, but it is not the sort of thing to go to prison for."

But the Rev Stephen Trotter, a traditionalist member of the General Synod, called for "more realistic" fines. He said: "Acts of worship should enjoy respect and protection from disturbance and not be used to further people's public or private campaigns."

*If you're calling loved ones abroad this Christmas, here's the icing on the cake.*



*One more reason why thousands of people come back to BT every week.*

In the run-up to Christmas, nothing beats a good chat with far-flung friends and relatives. And with BT, you can save up to 43% on your calls abroad when you sign up for Friends & Family, PremierLine and Country Calling Plans. Of course, with BT you don't just save money. We also believe in giving

our customers the best possible service, that's why you can rely on good quality calls. These are just some of the reasons people are choosing to be with BT. So before you next call abroad, call us to find out about our great savings on **Freefone 0800 003 800** or visit us at **www.bt.com**



**We'll do the rescuing while you do the saving.**

<b>AA</b>	<b>£126</b>
<b>RAC</b>	<b>£136</b>
<b>DIRECT LINE</b>	<b>£38*</b>



Buy your car insurance from us and you'll get a whole lot more than you bargained for. Because you'll save 50% on the price of Direct Line Rescue, the most modern breakdown service in the UK.

**CALL 0181 253 8118.**

[www.directline.com](http://www.directline.com)

\*Direct Line's price is an average price. Prices correct as of 1.11.98. Comparison is on a like for like basis. Offer available on Recovery Plus for comprehensive motor policy holders. Direct Line Direct Line Insurance and the red telephone on wheels are trademarks of Direct Line Insurance plc. The company may monitor or record telephone conversations with the aim of improving its service.

COUNTRY CALLING PLANS COST £1 PER COUNTRY PER MONTH, AND ARE FOR CUSTOMERS WITH CALL BILLS EXCEEDING ON AVERAGE £5 OR MORE PER MONTH PER COUNTRY. NOT AVAILABLE ON BT CHARGECARD CALLS. PREMIERLINE COSTS £3 PER QUARTER. PRICES QUOTED ARE BT'S WEEKEND RATE PER MINUTE.



## Help our chosen charities

## Oxfam/*Times* Bridge Appeal

## Cheetah Project Appeal

**THE TIMES CHRISTMAS APPEAL**

# Trust hopes to uncover causes of Alzheimer's

**BY IAN MURRAY, MEDICAL CORRESPONDENT**

Rebecca Wood, the trust's manager, says: "In five years we hope to be able to make a

plications for Parkinson's disease too. The second research group, to be set up with the help of *Times* readers, will also be chosen from applicants replying to advertisements in the scientific press.



# Fight to save the cheetah

By DANIEL MCGRODY

On the plains of the Serengeti in Tanzania, Dr Sarah Durant is working on the only long-term study of cheetahs in the wild, trying to find

There are other enemies, of course, principally and inevitably mankind. Although the days of big-game hunting are over, man still threatens the cheetah. Its habitat is further whittled away each year, squeezing the cheetah into open savannah where it cannot be compete with its fiercer neighbours.

Hungry cheetahs sometimes kill goats and are then

This is a way you can ensure this beautiful but vulnerable animal will survive into the millennium and beyond.

# Bridges rebuild hope and economy

FROM DAVID ADAMS  
IN RIO HONDO

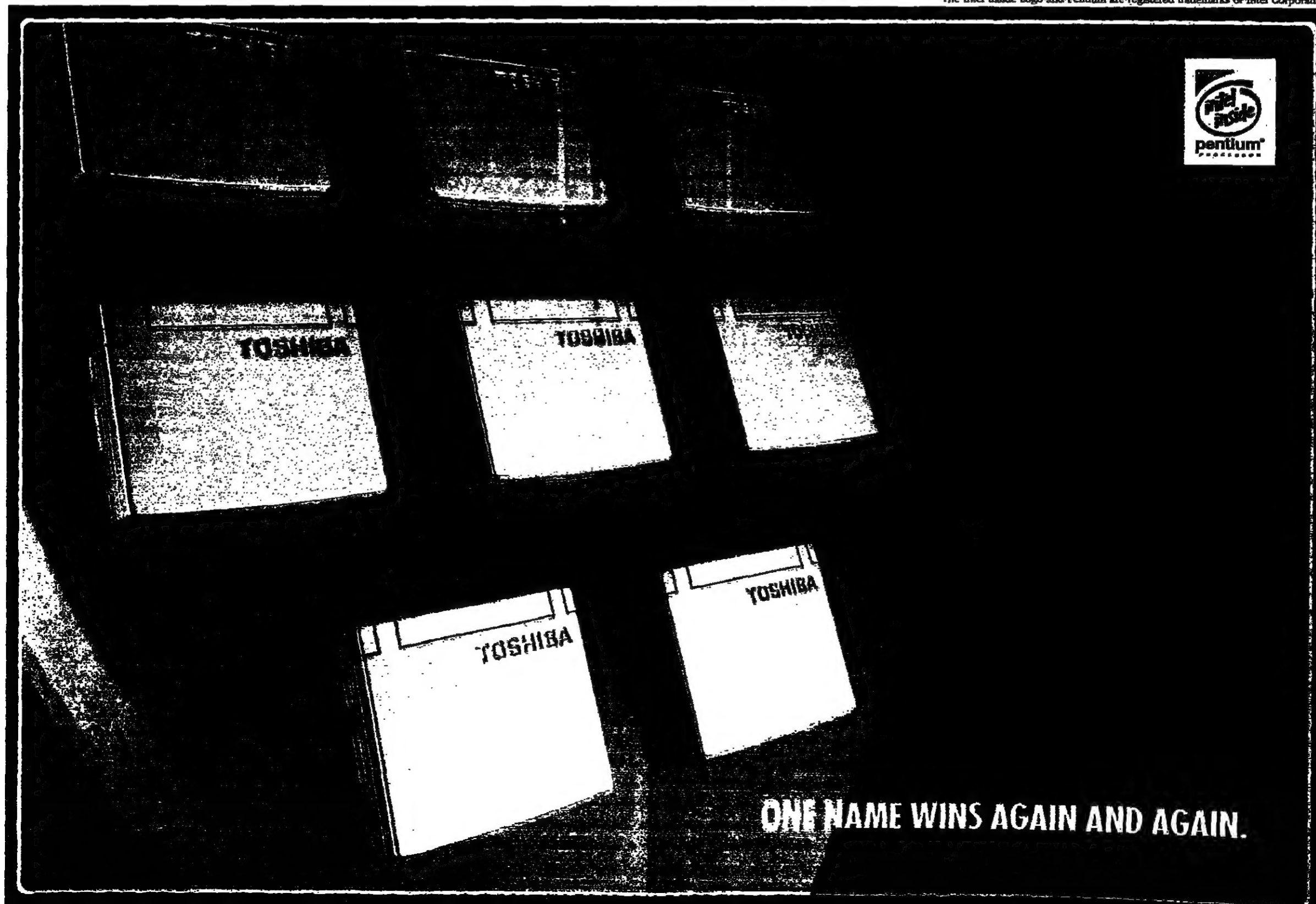
International aid has provided clothing, food and medical aid. But there has been no quick solution for the bridges.

Ninety-eight road bridges were washed away by the torrents of mud and water.

"Some aid is very selective and short term but bridges are long term," Jonathan Dancos, director of sales for Mabey and Johnson, the Reading bridge-building firm, said.

At Rio Hondo, between the capital of Honduras and the country's main agricultural area, floods washed away almost half a bridge over the River Amarante and 130ft of approach road. Mabey and Johnson says that Rio Hondo could have a bridge in the new year if readers of *The Times* raised the money for a crossing built by its Compact Rapid Reaction Bridge System, which modelled on the Bailey bridge

"We are very excited by this project," Mr Danos said. "It is British bridging at its best, supported by the British public. It will make a wonderful gift for Honduras in its time of need."



Our Portege 3010CT has won the PC Computing 1998 Most Valuable Product of the Year and the PC Computing 1998 Most Valuable Product - Lightweight Travelling Computer categories. And we've also won one of the

most prestigious awards of all. We've won the 'Best Desktop and Mobile System at Comdex' award for the **Portégé 3010CT**, a PC that challenges and redefines the limits of portable design providing ultra portability with performance.

If you'd like to judge the world market leader in portable computing for yourself, call your nearest Toshiba Authorized

Reseller, or Toshiba on 01932 828 828 or visit our website at [www.toshiba.co.uk/computers](http://www.toshiba.co.uk/computers)

**TOSHIBA**

PC Division, Toshiba Information Systems (U.K.) Ltd., Toshiba Court,  
Weybridge Business Park, Addlestone Road, Weybridge, Surrey KT15 2JL


# Car

Angry drivers block residents who take short cut, reports DA

...LITTLE ...  
...and lead to p...  
...some ques...  
...as result...  
...little atten...  
...to the fact...  
...along thid

1. The first part of the document is a list of names and addresses, which appears to be a directory or a list of contacts. The names are written in a cursive script, and the addresses are listed below them.

The results  
 are in favor  
 of the...



of the 1960s. The collection of these papers is a significant addition to the historical record of the American labor movement.

and the  
more she  
of Dr. ...  
emotional ...  
them with ...  
be present a ...  
and hard ...  
where the ...  
to many ...

and again I  
and on my part,  
I have much to  
say on the  
of a very  
and Mr. L.  
to be required  
of the burial  
of the dead.

## Doctors ban on 'u

# babywal

...on the sale and  
...walkers because they  
...responsible for those  
...ages each year  
...research published in  
...the specialist journal  
...freemason shows that  
...all the children placed  
...whether have

One study among 36 practicing teachers with children ages from three months to three years found that half of the teachers had a child

has increased the  
injuries, fractures,  
and burns.  
Babywalkers suppress  
the child's weight, encourage  
him to move around a lot  
in a normal development  
stage of walking. This  
increased mobility  
helps him to learn to

# Italian

By FRANCES HIGH  
LEGAL CORRESPONDENT

...the sale of Parmesan cheese producers had agreed that although the upper-echelon chair's Parma ham is strictly from Parma, it should not be called so because it was made in Italy.

... it is sliced and  
... in Britain.  
... the Court of Appeal  
... while I.C. treated  
... gave Parma a 'protected  
... of origin' - that  
... not include the strict Ital-  
... rules on slicing and pack-  
... Asda, which  
... its ham



THE TIMES WEDNESDAY DECEMBER 2 1998

# Car wars on the luxury rat-run

Angry drivers took revenge on residents who tried to disrupt their short cut, reports Daniel McGrory

A LITTLE local protest in a genteel seaside neighbourhood led to police and private security guards having to protect wealthy residents from guerrilla attacks by gangs wearing ski masks yesterday.

Householders had been so fed up with their road being used as a "rat run" by rush-hour drivers that they used their Mercedes, BMWs and other luxury cars to form a massive safety problem in this road. There have been 31 accidents in the past two years and a number have been serious accidents where people have been injured.

Mr Dimick says that 8,000 vehicles a day use his road as a cut-through and 85 per cent of them are going over 40mph. Traffic has increased since the opening of the nearby Brighton by-pass.

Residents offered to pay for speed cameras and other safety measures but the council will not allow them.

He refused to tell police whom he thinks is responsible for the guerrilla attack. The detached homes, costing up to £400,000, all have private drives but for the purposes of the protest the occupants were urged to move their sizeable vehicles onto the narrow road.

The residents are particularly angry as it was their own Tory ward councillors who asked the Labour-led Brighton and Hove Council not to introduce new traffic schemes to spare Woodland Drive. A suggested meeting between the rival parties was called off last night after the residents refused to suspend their well advertised three-day protest.

As one of the disgruntled householders examined the damage done to a four-wheel drive vehicle, he offered a sizeable cash reward for the capture of the two men who were seen in the small hours of the morning wearing ski masks and driving along their street on a wrecking spree. He was incandescent that police yesterday threatened to prosecute the householders for blocking the road.

A spokesman for Sussex Police said: "We cannot support protests where there is an obstruction of the highway. We do not wish to take enforcement measures but if vehicles are parked in such a manner that

other road users complain we have no other option but to act accordingly."

Mr Dimick said: "Last night was our third protest. We parked our cars in a legal manner in an 'S' shape down the road. It causes a slowing down of the traffic which is something we have been trying to get for 20 years. The attack on the cars was an organised

raid. They knew all the cars belonging to communitarian members and picked on them."

Another resident, Terry Saunders, 40, who runs his own engineering business, was awoken by the noise of the attackers. He had three of his luxury cars parked on the road. Mr Saunders, who has lived in the road for three years, is now assessing the

damage on his £31,000 four-wheel vehicle. He said: "I woke up to find my Grand Cherokee being attacked. It looked like it had been done over with a hammer or crowbar. The side window was smashed. But it makes us even more determined to fight on. It is only a car which has been damaged, but one day it could be a child's life."

A spokeswoman for Brighton and Hove Council said:

"Woodland Drive had been third in line for traffic calming measures but a Conservative councillor moved that the scheme should not be proceeded with so the council voted not to proceed with the scheme. We cannot condone any action that may pose a safety risk and the residents have obviously enraged other road users."

Folkstone's town centre manager, Philippe Esclasse, said: "Folkstone and Boulogne are twinned and we are planning a lot more co-operation. We hope to stage an inter-town Olympics and exchanges between our tourist offices, the police force and the local schools."

M Djalai said that the decorations had cost about £7,000. "The reason that we are better able to provide such decorations is that we still have municipal services in France," he said. "Here the services are contracted out to private companies and not subsidised by tax- or ratepayers. That makes life much more difficult."

Folkstone's contribution to its decorations this year was about 2,000 new bulbs. "The old sets were completely clapped-out," said one of the council workers who were stringing the lights across the main shopping streets.

Boulogne, which last year won an award for the best decorations in Northern France, has spent about £70,000 this year on giant Christmas trees, snowmen, Santas, fairy lights and snowflakes.



A suitable case for traffic calming: above, the road residents felt driven to defend. Below, examples of the damage which have angered Terry Saunders, left, and John Dimick, who said: "All we want to do is protect a lifestyle. There have been 31 accidents in two years"



other road users complain we have no other option but to act accordingly."

Mr Dimick said: "Last night was our third protest. We parked our cars in a legal manner in an 'S' shape down the road. It causes a slowing down of the traffic which is something we have been trying to get for 20 years. The attack on the cars was an organised

raid. They knew all the cars belonging to communitarian members and picked on them."

Another resident, Terry Saunders, 40, who runs his own engineering business, was awoken by the noise of the attackers. He had three of his luxury cars parked on the road. Mr Saunders, who has lived in the road for three years, is now assessing the

damage on his £31,000 four-wheel vehicle. He said: "I woke up to find my Grand Cherokee being attacked. It looked like it had been done over with a hammer or crowbar. The side window was smashed. But it makes us even more determined to fight on. It is only a car which has been damaged, but one day it could be a child's life."

A spokeswoman for Brighton and Hove Council said:

"Woodland Drive had been third in line for traffic calming measures but a Conservative councillor moved that the scheme should not be proceeded with so the council voted not to proceed with the scheme. We cannot condone any action that may pose a safety risk and the residents have obviously enraged other road users."

Folkstone's town centre manager, Philippe Esclasse, said: "Folkstone and Boulogne are twinned and we are planning a lot more co-operation. We hope to stage an inter-town Olympics and exchanges between our tourist offices, the police force and the local schools."

M Djalai said that the decorations had cost about £7,000. "The reason that we are better able to provide such decorations is that we still have municipal services in France," he said. "Here the services are contracted out to private companies and not subsidised by tax- or ratepayers. That makes life much more difficult."

Folkstone's contribution to its decorations this year was about 2,000 new bulbs. "The old sets were completely clapped-out," said one of the council workers who were stringing the lights across the main shopping streets.

Boulogne, which last year won an award for the best decorations in Northern France, has spent about £70,000 this year on giant Christmas trees, snowmen, Santas, fairy lights and snowflakes.

## Doctors want ban on 'unsafe' babywalkers

By IAN MURRAY, MEDICAL CORRESPONDENT

DOCTORS are calling for a ban on the sale and use of babywalkers because they are responsible for thousands of injuries each year.

Research published today in the specialist journal *Injury Prevention* shows that up to half the children placed in a babywalker have an accident and that parents continue to use the apparatus even though they know that it is dangerous.

One study among 1,600 parents from 36 practices in Nottingham with children aged between three months and a year showed that half used babywalkers but did not realise that this increased the risk of head injuries, fractures, bruises and burns.

Babywalkers support the infant's weight, enabling the child to move around before the normal developmental stage of walking. That increased mobility exposes the child to hazards such as stairways, fires and heaters.

The Nottingham study showed most accidents occur

because the child falls down stairs or steps but one family in five using them did not have a stairgate. A gate was installed in only a third of accidents and fewer than half the families without a gate acquired one after a child was injured by a fall.

"Families do not perceive walkers as dangerous," the report by Nottingham University Medical School says. "Two thirds of children who suffered a walker-related injury continued to be placed in walkers after their injury."

Parents gave reasons for continuing to put their child in a babywalker such as keeping the baby quiet and happy, encouraging mobility, and providing exercise. Some even said that it kept the child safe.

"There have been repeated calls for a ban on babywalker manufacture and sale and as health professionals we should support such campaigns," Denise Kendrick, one of the authors of the report, said.

## HRT may slow growth of breast cancer tumours

By OUR MEDICAL CORRESPONDENT

HORMONE replacement therapy may curb the growth of breast cancer tumours, even though it may slightly increase the risk of developing the disease.

The "cancerous growths in women on HRT were significantly smaller and of a less dangerous kind than those in women not given the treatment, research published today in the *Journal of Clinical Pathology* shows.

The researchers from the Imperial College School of Medicine at Charing Cross Hospital, London, investigated cases of 60 women who developed breast cancer. They found that the tumours of the 31 on HRT were, on average, 8mm smaller than those in the women not being given it.

Only 29 per cent of the women on HRT had tumours containing a chemical that is associated with a more dangerous grade of cancer, compared with 45 per cent of those not taking it. The disease had spread to the lymph nodes in

26 per cent of those on HRT but 41 per cent of the others.

The researchers say that the higher incidence of smaller tumours among women on HRT may be due to the fact that they tend to be subject to more rigorous screening, leading to early detection of the disease.

However, as most women over 50 in Britain now undergo regular screening, the authors say that the possibility of a direct effect of the therapy should be investigated.

It is not known how many of the women on HRT would have grown tumours if they had not been on the therapy and further tests are needed to determine the probability of their developing breast cancer.

The authors say: "However, as most recent studies indicate that HRT is not associated with a significantly increased risk of developing breast carcinoma, the findings in our investigation tend to suggest that hormone supplementation may provide a beneficial modifying effect."

According to Italian law, the ham must be fully prepared for sale in the Parma region of the Po Valley under the control of the Consorzio del Prosciutto di Parma.

But Lords Justices Kennedy, Aldous and Potter dismissed an appeal against a High Court decision striking out the case against Asda Stores and its slicers and packers, Hygrade Foods Ltd, of Corsham, Wiltshire. The judges said that the ham's EU protection merely set a framework for fair competition and did not provide protection for processes such as the slicing of ham.

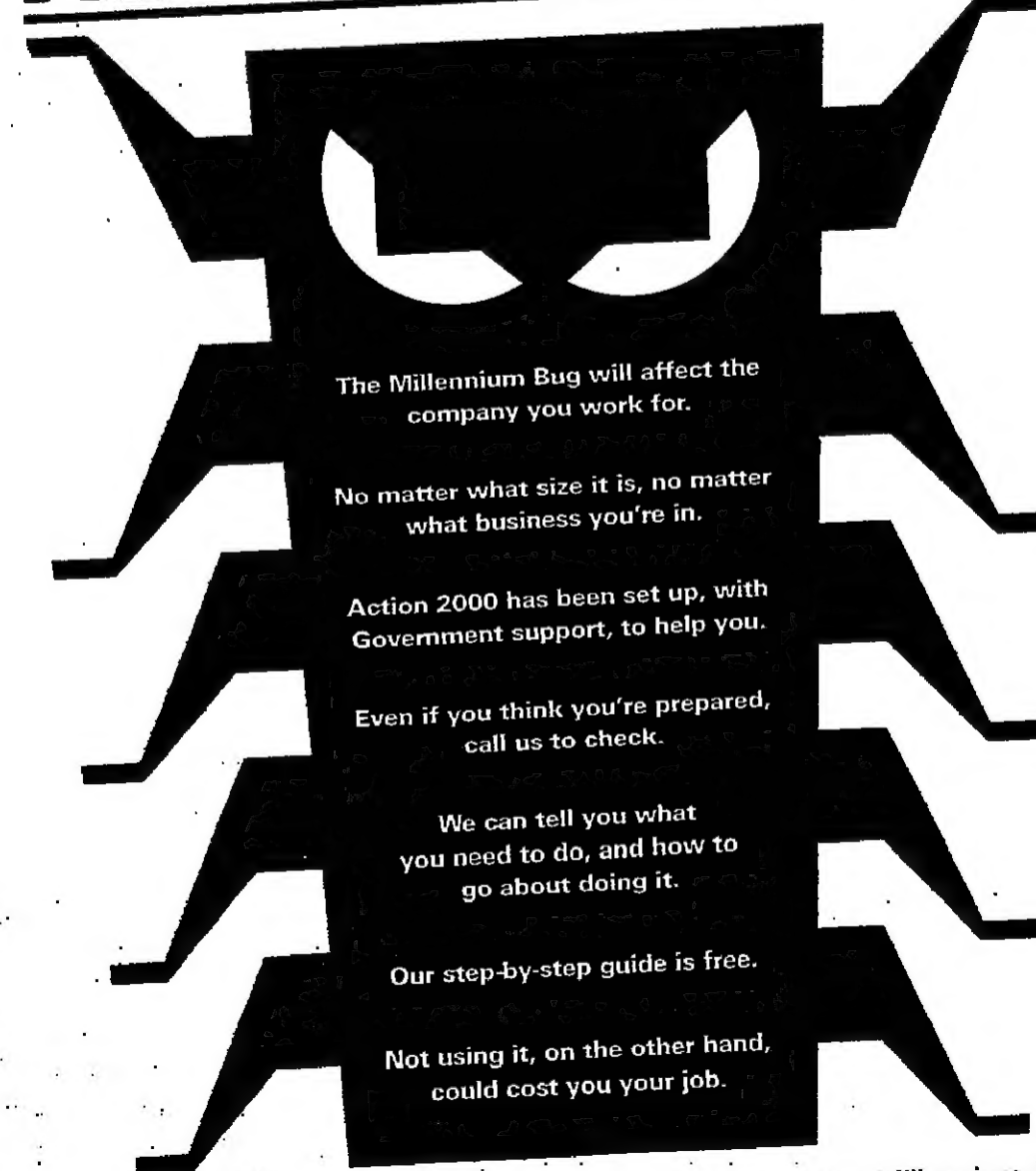
The Parma hills are ideal for curing hams because of their low humidity. Detailed laws regulate the type of pigs that can be used, their rearing conditions and diet.

Justin King, the company's deputy trading director, said:

inferior because of where it had been packed. "Their argument that slicing and packing this ham in the UK makes it in some way less genuine took a real hammering in court."

Asda said that it was ridiculous to suggest that its ham, imported directly from the Parma region, was somehow

## THE MILLENNIUM BUG. HELP IS AT HAND.



The Millennium Bug will affect the company you work for.

No matter what size it is, no matter what business you're in.

Action 2000 has been set up, with Government support, to help you.

Even if you think you're prepared, call us to check.

We can tell you what you need to do, and how to go about doing it.

Our step-by-step guide is free.

Not using it, on the other hand, could cost you your job.

Find out how to save the company you work for from the Millennium Bug. act now! Call **0845 601 2000** for your free Action Pack.

For your free Action Pack send this coupon to Action 2000, P.O. Box 1999, Stratford-upon-Avon CV37 9GS, fax us on 01923 474 514, call 0845 601 2000 or visit our website at [www.bug2000.co.uk](http://www.bug2000.co.uk)

Name \_\_\_\_\_ Company \_\_\_\_\_  
Position \_\_\_\_\_  
Address \_\_\_\_\_ Postcode \_\_\_\_\_  
Business Type \_\_\_\_\_ No. of Employees ☐ 1-9 ☐ 10-250 ☐ 251-500 ☐ 500+  
TMS/2

action  
2000

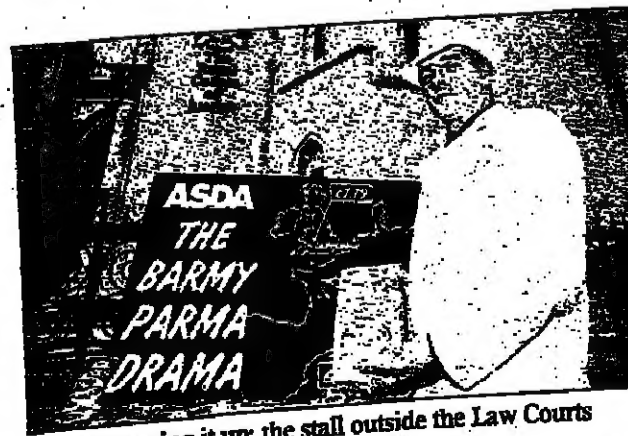
## Italians lose a slice of the action

By FRANCES GIBB  
LEGAL CORRESPONDENT

ASDA set up a celebratory ham stall outside the Law Courts in London yesterday after winning its legal battle over the selling of Parma ham.

Italian producers had argued that, although the supermarket chain's Parma ham is genuinely from Parma, it should not be called Parma ham because it is sliced and packaged in Britain.

But the Court of Appeal ruled that while EC regulations gave Parma a "protected designation of origin", that did not include the strict Italian rules on slicing and packaging. Asda, which boasts that its ham is up to 61 per cent cheaper than competitors, celebrated its win by set-



Hamming it up: the stall outside the Law Courts

ting up a Parma ham stall on the pavement with a placard describing the case as "The Barny Parma Drama".

Asda said that it was ridiculous to suggest that its ham, imported directly from the Parma region, was somehow

inferior because of where it had been packed. "Their argument that slicing and packing this ham in the UK makes it in some way less genuine took a real hammering in court."

Justin King, the company's deputy trading director, said:

inferior because of where it had been packed. "Their argument that slicing and packing this ham in the UK makes it in some way less genuine took a real hammering in court."

Justin King, the company's deputy trading director, said:

inferior because of where it had been packed. "Their argument that slicing and packing this ham in the UK makes it in some way less genuine took a real hammering in court."

Justin King, the company's deputy trading director, said:

## French make light work of Christmas cheer

By ROBIN YOUNG

BLUE-OVERALL workmen from the French port of Boulogne-sur-Mer crossed the Channel yesterday to decorate Folkstone for Christmas. Their efforts were much appreciated by shoppers who were disappointed by the town's "feeble", "Scrooge-like" display last year.

The four lorry loads of French decorations, erected by 16 workers under the direction of Boulogne's parks manager, Louis Djalai, consisted of large birch branches painted white, tied with golden bows and draped with tinsel. They were tied to Folkstone's old town hall and to lampposts along Sandgate Road and Guildhall Street.

The effect, Folkstonians allowed, was pleasing. "But Folkstone lights used to be really super years ago," said one resident, Helen Southgate. "People came from all over Kent to see them, and they came in specially from France as well."

Folkstone's town centre manager, Philippe Esclasse, said: "Folkstone and Boulogne are twinned and we are planning a lot more co-operation. We hope to stage an inter-town Olympics and exchanges between our tourist offices, the police force and the local schools."

M Djalai said that the decorations had cost about £7,000. "The reason that we are better able to provide such decorations is that we still have municipal services in France," he said. "Here the services are contracted out to private companies and not subsidised by tax- or ratepayers. That makes life much more difficult."

Folkstone's contribution to its decorations this year was about 2,000 new bulbs. "The old sets were completely clapped-out," said one of the council workers who were stringing the lights across the main shopping streets.

Boulogne, which last year won an award for the best decorations in Northern France, has spent about £70,000 this year on giant Christmas trees, snowmen, Santas, fairy lights and snowflakes.

Folkstone's town centre manager, Philippe Esclasse, said: "Folkstone and Boulogne are twinned and we are planning a lot more co-operation. We hope to stage an inter-town Olympics and exchanges between our tourist offices, the police force and the local schools."

M Djalai said that the decorations had cost about £7,000. "The reason that we are better able to provide such decorations is that we still have municipal services in France," he said. "Here the services are contracted out to private companies and not subsidised by tax- or ratepayers. That makes life much more difficult."

Folkstone's contribution to its decorations this year was about 2,000 new bulbs. "The old sets were completely clapped-out," said one of the council workers who were stringing the lights across the main shopping streets.

Boulogne, which last year won an award for the best decorations in Northern France, has spent about £70,000 this year on giant Christmas trees, snowmen, Santas, fairy lights and snowflakes.

Folkstone's town centre manager, Philippe Esclasse, said: "Folkstone and Boulogne are twinned and we are planning a lot more co-operation. We hope to stage an inter-town Olympics and exchanges between our tourist offices, the police force and the local schools."

M Djalai said that the decorations had cost about £7,000. "The reason that we are better able to provide such decorations is that we still have municipal services in France," he said. "Here the services are contracted out to private companies and not subsidised by tax- or ratepayers. That makes life much more difficult."

Folkstone's contribution to its decorations this year was about 2,000 new bulbs. "The old sets were completely clapped-out," said one of the council workers who were stringing the lights across the main shopping streets.

Boulogne, which last year won an award for the best decorations in Northern France, has spent about £70,000 this year on giant Christmas trees, snowmen, Santas, fairy lights and snowflakes.

Folkstone's town centre manager, Philippe Esclasse, said: "Folkstone and Boulogne are twinned and we are planning a lot more co-operation. We hope to stage an inter-town Olympics and exchanges between our tourist offices, the police force and the local schools."

M Djalai said that the decorations had cost about £7,000. "The reason that we are better able to provide such decorations is that we still have municipal services in France," he said. "Here the services are contracted out to private companies and not subsidised by tax- or ratepayers. That makes life much more difficult."

Folkstone's contribution to its decorations this year was about 2,000 new bulbs. "The old sets were completely clapped-out," said one of the council workers who were stringing the lights across the main shopping streets.

Boulogne, which last year won an award for the best decorations in Northern France, has spent about £70,000 this year on giant Christmas trees, snowmen, Santas, fairy lights and snowflakes.

Folkstone's town centre manager, Philippe Esclasse, said: "Folkstone and Boulogne are twinned and we are planning a lot more co-operation. We hope to stage an inter-town Olympics and exchanges between our tourist offices, the police force and the local schools."

M Djalai said that the decorations had cost about £7,000. "The reason that we are better able to provide such decorations is that we still have municipal services in France," he said. "Here the services are contracted out to private companies and not subsidised by tax- or ratepayers. That makes life much more difficult."

Folkstone's contribution to its decorations this year was about 2,000 new bulbs. "The old sets were completely clapped-out," said one of the council workers who were stringing the lights across the main shopping streets.

Boulogne, which last year won an award for the best decorations in Northern France, has spent about £70,000 this year on giant Christmas trees, snowmen, Santas, fairy lights and snowflakes.

Folkstone's town centre manager, Philippe Esclasse, said: "Folkstone and Boulogne are twinned and we are planning a lot more co-operation. We hope to stage an inter-town Olympics and exchanges between our tourist offices, the police force and the local schools."

M Djalai said that the decorations had cost about £7,000. "The reason that we are better able to provide such decorations is that we still have municipal services in France," he said. "Here the services are contracted out to private companies and not subsidised by tax- or ratepayers. That makes life much more difficult."

Folkstone's contribution to its decorations this year was about 2,000 new bulbs. "The old sets were completely clapped-out," said one of the council workers who were stringing the lights across the main shopping streets.

Boulogne, which last year won an award for the best decorations in Northern France, has spent about £70,000 this year on giant Christmas trees, snowmen, Santas, fairy lights and snowflakes.

Folkstone's town centre manager, Philippe Esclasse, said: "Folkstone and Boulogne are twinned and we are planning a lot more co-operation. We hope to stage an inter-town Olympics and exchanges between our tourist offices, the police force and the local schools."

M Djalai said that the decorations had cost about £7,000. "The reason that we are better able to provide such decorations is that we still have municipal services in France," he said. "Here the services are contracted out to private companies and not subsidised by tax- or ratepayers. That makes life much more difficult."

Folkstone's contribution to its decorations this year was about 2,000 new bulbs. "The old sets were completely clapped-out," said one of the council workers who were stringing the lights across the main shopping streets.

Boulogne, which last year won an award for the best decorations in Northern France, has spent about £70,000 this year on giant Christmas trees, snowmen, Santas, fairy lights and snowflakes.

Folkstone's town centre manager, Philippe Esclasse, said: "Folkstone and Boulogne are twinned and we are planning a lot more co-operation. We hope to stage an inter-town Olympics and exchanges between our tourist offices, the police force and the local schools."

M Djalai said that the decorations had cost about £7,000. "The reason that we are better able to provide such decorations is that we still have municipal services in France," he said. "Here the services are contracted out to private companies and not subsidised by tax- or ratepayers. That makes life much more difficult."

Folkstone's contribution to its decorations this year was about 2,000 new bulbs. "The old sets were completely clapped-out," said one of the council workers who were stringing the lights across the main shopping streets.

Boulogne, which last year won an award for the best decorations in Northern France, has spent about £70,000 this year on giant Christmas trees, snowmen, Santas, fairy lights and snowflakes.



# Out of tune with Euro harmony

GERMANY and France yesterday stayed on collision course with Britain as they pledged "rapid progress" in harmonising taxes and pushing forward more quickly towards a politically integrated Europe.

"The Franco-German relationship is more important than ever as a motor for the construction of Europe," Gerhard Schröder, the German Chancellor said, capping two days of talks with Jacques Chirac, the French President, and Lionel Jospin, the French Prime Minister. "With the help of very close co-ordination we are ready to take on this responsibility."

Yet the two countries could not paper over the divisions on fundamental problems such as how to achieve a budget rebate for Germany, how to reform European finances as a whole and, most controversially, how to overhaul the common agricultural policy.

The main area of agreement yesterday was in territory charted out since September's German general election by Oskar Lafontaine, the German Finance Minister, and Dominique Strauss-Kahn, his French counterpart: the creation of a common economic re-

France and Germany's promise yesterday to accelerate moves toward European unity puts them on a collision course with Britain, reports Roger Boyes from Potsdam

gime to coincide with the introduction of the euro.

"We will move, at this critical time, towards a stronger co-ordination of economic policy — in particular among the 11 euroland states — press for rapid tax harmonisation and the creation of a real economic social model," a joint communiqué said.

"We deplore the unsatisfactory state of European discussion on social affairs... we will urge initiatives to encourage stronger harmonisation of the European social model."

M Jospin made clear that this was above all a Franco-German responsibility: "A real social agreement in Europe, progress on tax harmonisation, movement towards controls on international capital markets — all this is part of the new dynamic of the relationship."

Although Herr Lafontaine left the Potsdam summit early for a European Finance Ministers' meeting, the summit docu-

ments carry his imprint. The communiqué demanded stronger controls on international capital markets and a concerted move to boost the credibility of the International Monetary Fund and World Bank.

"To this end there should be an international discussion aimed at making the Interim Committee (of the IMF) into a real 'Council of Finance Ministers'," it said.

Herr Schröder had promised that the broad contours of Agenda 2000, the financing of the European Union and agriculture reform would be ready for a package-deal settlement by next March. The French did not seem so confident. The German leaders promised the French that he would not pile on more pressure on the budget rebate question. "We hope, nonetheless, for the support of the French."

M Chirac added: "Yes, there is a problem and we are doing our best so that Germany can

at least get part of what it wants. But we have to remember: everybody has a problem and they should all be laid on the table."

The French do not want to deal separately on the rebate. Concessions to Germany have to translate into concessions for the French, and above all for their farmers. The President's phrase for this was "global compromise".

Germany's six-month presidency of the European Union, beginning in January, may be setting off with over-optimistic expectations. Above all, Herr Schröder wants speedy, across-the-board results to deflect attention from slow progress on domestic reforms. In contrast, France is ready to slow the pace until the balance of advance shifts in its direction.

Germany seemed yesterday to have taken over the French assumption that eastward enlargement of the European Union can only occur after Euro-

pean institutional reform. Herr Schröder called for fast negotiations with central Europe but did not — unlike Helmut Kohl, his predecessor — set a date for entry.

M Jospin shifted responsibility for any delayed enlargement onto the central Europeans. "I have told the Czechs we are waiting for you. They have to tell us when they are ready to hear the shock of European Union membership."

Diplomats say there has been some narrowing of the French and German positions on budget contributions though there was no breakthrough in Potsdam. The French President agreed to keep European Union spending growth in line with inflation until 2006.

In turn, Herr Schröder is no longer demanding a "correction mechanism" to improve Germany's budgetary position. But the leaders are divided over whether to hand back to national Governments the responsibility for paying farmers direct subsidies.

The German Government did not budge from its view that direct farm subsidies should be co-financed by national authorities (a move that would substantially reduce Germany's contribution to the European budget). The French say this would kill the common agricultural policy. That is the long-term hope of the modernisers in the German Government though not, understandably, its Agricultural Minister.

Another potent area of disagreement yesterday was Germany's policies on civil nuclear energy and military nuclear power. A Franco-German working committee is to be set up to minimise the damage to France's nuclear programme of Germany withdrawing from atomic energy.

"France does not have the right to judge a political or economic decision made by Germany," said President Chirac, who nonetheless made plain that he did not like it.

Germany also told France that it would continue to lobby for a "no first use" nuclear strategy. President Chirac stressed that this had to be dealt with on a Nato level, presumably because he is sure that combined American, British and French opposition would squash the German idea.

## EUROPE AND TAXES: THE FACTS, THE FUTURE

VAT	CORPORATE TAX	INCOME TAX	TAX HAVENS	CARS, CIGARETTES, DRINKS
<p><b>Standard rate:</b> 17.5 per cent.</p> <p><b>Lower rate:</b> 5 per cent (domestic fuel and power).</p> <p><b>Zero rated:</b> children's clothing, books, newspapers and magazines, food (excluding hot takeaway and restaurant food), passenger travel, water and sewerage services, drugs and medicines on prescription, supplies to charities, construction of new dwellings, ships and aircraft above a certain size, vehicles and other supplies to people with disabilities.</p>	<p><b>Standard rate:</b> 31 per cent (30 per cent from April 1999).</p> <p><b>Small companies rate:</b> 24 per cent (20 per cent from April 1999).</p>	<p><b>23 per cent</b> for taxable earnings £4,301 to £27,300</p> <p><b>40 per cent</b> for taxable earnings above £27,300</p>	<p><b>Crown Dependencies</b> operate their own fiscal regimes: Jersey, Guernsey, Isle of Man.</p> <p><b>British Overseas Territories</b> operate their own fiscal regimes, some of these are known for attracting business as tax havens, including Bermuda, British Virgin Islands, Cayman Islands and Gibraltar.</p>	<p><b>Pint of lager</b> £1.83. Excise duty: 26.0p, VAT 27.3p. Total tax 53.3p.</p> <p><b>Wine (75cl)</b> £3.05. Excise duty £108.5p, VAT 45.4p. Total 153.9p.</p> <p><b>Whisky (70cl)</b> £11.49. Excise duty 547.7p, VAT 171.1p. Total 718.8p.</p> <p><b>20 cigarettes</b> (from 12/12/98) £3.54. Excise duty 230.6p, VAT 54.2p. Total 284.8p.</p> <p><b>Car tax:</b> £150</p>
<p>The EU is about to renew existing VAT regimes unchanged. This fixes minimum standard rate of 15 per cent, with many exemptions, including newspapers, food and children's clothes in Britain. Highest rates currently applied in some other states are 25 per cent.</p> <p>There are no plans for new rates. Some want to bring regimes closer into line for the sake of smoothing the path of monetary union.</p>	<p>The EU is working on a voluntary code of conduct, aimed at ironing out distortions caused by unfair taxation practices such as special regimes for foreign investors. Working group, chaired by David Primoro, Treasury Financial Secretary, has drawn up preliminary list of 85 schemes for examination and possible abolition in a year's time.</p>	<p>Talk of harmonising income tax is officially regarded as taboo, even to Germans and French. However, enthusiasts in some continental Governments and the European Commission say some degrees of co-ordination in income tax regimes may reach the agenda once monetary union has been operating for some time.</p>	<p>The EU, including Britain, is keen to abolish tax havens which cost national exchequers billions of pounds a year. German and Belgian professionals are said to bank much of their savings in Luxembourg. The EU's weapon is a proposed 20 per cent levy on income from investments paid into accounts held by non-residents.</p>	<p>Cars are subject to VAT, set at national rates above. Cigarettes and alcohol are subject to nationally set excise tax. There are no plans to harmonise these although it is recognised that widely varying practices cause distortions, such as Britons' habit of buying alcohol and tobacco in foreign Channel ports.</p>
<p>Government would veto any moves to force Britain to change VAT rates. The 17.5 per cent headline rate is a matter solely for Westminster. Only the Government can change the status of goods which are currently zero-rated in Britain, such as children's clothes, food and newspapers, or raise the 5 per cent lower rate on domestic fuel. Gordon Brown has ruled out changes to either for the lifetime of this Parliament.</p>	<p>They are ours to set. They are direct tax measures which are not the business of Brussels. The Government would resist, if necessary, any pressure that began to build up.</p>	<p>The same response as above. But the Treasury points out that even the EU Tax Commission agrees there is no prospect in this area.</p>	<p>Gordon Brown is unhappy with the proposals for the "withholding tax". He would veto the proposals as they stand. But he sees ground for negotiation, using the issue to clamp down on banking secrecy and for a greater exchange of information.</p>	<p>Britain's excise duty rates are higher than the EU minimum. Thanks to the fuel excise, they will continue to forge ahead on petrol and diesel. It is a national decision about how much tax we want to raise and how we want to raise it. The Government would oppose Brussels's attempts to limit the room for manoeuvre.</p>
<p>Britain will retain its exemptions but pressure will grow for more harmonised rates within the next five years. As with all EU tax changes, this will require unanimity and is therefore subject to potential veto.</p>	<p>Discussion of minimum rates is likely to run into stiff opposition from Nordic states, Ireland and others. In addition, Britain is unlikely to support any pressure that began to build up.</p>	<p>This is a long-term item, but deeper economic integration with monetary union may increase pressure within a few years for bringing national income tax practices more closely into line.</p>	<p>The EU will agree on a watered-down version of this proposed directive by the end of the German presidency in June.</p>	<p>No action in the foreseeable future but pressure may build along with other moves to "level the playing field" in the single market.</p>



All together now: Lionel Jospin, left, Jacques Chirac, centre, and Gerhard Schröder in Potsdam yesterday

Leading article, page 21

## Keep taking the tabloids, but always add a pinch of salt

By MARK INGLEFIELD  
POLITICAL REPORTER

OSKAR LAFONTAINE, the German Finance Minister, did not say "We have ways of making you obey our tax laws" yesterday, but the perceived aim of removing Britain's powers to set its own taxes will make certain newspaper editors see it in that light.

As Kenneth Clarke, the former Tory Chancellor, pointed out yesterday a renewed spirit of anti-European feeling is at large among some British newspapers.

There is no doubt that Herr Lafontaine's remarks yesterday will exacerbate these feelings. Not that it has not begun already. Last week *The Sun* newspaper carried a front-page story attacking Herr Lafontaine. "Is this the most dangerous man in Europe?" the headline said — in English and German versions.

The newspaper went on to ask whether he was the "biggest threat to the British way of life that we have seen since 1945".

From its point of view, the newspaper had been spot on. It had said that Herr Lafontaine's arrival on the political



How *The Mirror* and *The Sun* saw it: different slants on the threat to Britain from European integration



scene — he was swept into power in September when Gerhard Schröder's Social Democrats ousted Helmut Kohl — would mean Britain would lose its right to set its own taxes.

And it is not just the tabloid newspapers which are stepping up their campaign against further European integration.

Last week *The Sunday Telegraph* published a report headlined "Biggest ever report rejects 'biggest threat to the British way of life'". The findings of a study of British attitudes to Europe, on its front page. It disclosed that public

support for the single currency and even membership of the European Union — had fallen steeply.

The figures were superficially convincing. The paper said that the proportion of people supporting the EU had fallen from 77 per cent to 55 per cent in six years. The report also said that 28 per cent of people favoured complete withdrawal.

But this was grossly misleading and out of date. The British Social Attitudes report is a big survey, covering the whole of Europe this year. But the section covering British atti-

tudes to Europe was based on just 1,355 interviews.

*The Mirror*, *The Sun*'s chief competitor, satirised the mood of eurosceptic newspapers yesterday with the front-page headline "Euro Tax on Babies".

The story asked: "Are German EU bosses going to charge our families £1,000 per child?" and then said "No, but it's just the kind of stupid scare story on Europe that's sweeping Britain".

The spoof continued: "The Wehrmacht is at the gates of London and the Union flag is being hauled down at Westminster", as it ridiculed alarmist views in tabloid newspapers. But this satire is unlikely to prevent the more anti-European newspapers from changing their views, especially as 11 of our European partners launch the single currency in 30 days' time.

Herr Lafontaine looks set to become the Eurobogyman-in-chief for certain editors, a role once performed by Jacques Delors, the former President of the European Commission, who was attacked by *The Sun* over his call for European expansion with the headline: "Up yours, Delors".

## LORD MAYOR ATTACKS CROSS-BORDER SAVINGS TAX

THE European Commission's plans for a harmonised cross-border savings tax were attacked as "highly damaging" in the House of Lords last night (James Landale writes).

Lord Levene of Portoken, the Lord Mayor of London and chairman of Bankers Trust International, said the so-called "withholding tax" would drive investment away from Europe.

The proposed minimum 20 per cent tax on interest payments across borders is aimed at preventing tax avoidance by investors who keep their capital abroad in countries with lower tax rates.

In the first speech made in the Upper House by a Lord Mayor since 1973, Lord Levene said the City welcomed the single market and insisted its completion was vital to the prosperity of the European Union.

But he added: "The rules for the single market must be drawn up so that Europe's financial business generally is not driven offshore and outside Europe

altogether. The Commission's plans for a withholding tax to apply across the European Union in savings income and in particular to the huge euro bond market — concentrated in London — certainly will be highly damaging to Europe's standing in world financial markets."

"Elimination of harmful tax competition is fine. But this becomes self-defeating if the effect is to send business to other countries. And who is the winner then?"

He added: "The Government has rightly taken a firm position against these plans."

"But I do urge the Commissioner and the EU presidency — both Austria now and Germany next year — to work through the Organisation for Economic Co-operation and Development in seeking worldwide agreement on such changes first, instead of seeking to bring them into Europe alone."

"That is the only way to avoid the

damage across Europe they would otherwise bring."

Lord Levene's warning came in a speech given by "Davidson Bank" this week, voiced a warning against any moves which would damage the City of London.

"The City has given the UK a huge competitive advantage throughout history," he said. "But today all the nations of Europe are seeking to erode this same competitive advantage. The number of overseas banks and other financial services in London is the clearest evidence of this."

He also warned Britain to be prepared for the single currency. "The single currency will not run London of its importance in the European time zone overnight," he said.

"On the contrary, the City, deep liquid markets, will be essential for the euro's birth and effective operation next year and in the future, irrespective of whether the United Kingdom joins or not."



IF YOU FEEL IT,  
WE CAN EXPRESS IT.

ORDER FROM YOUR LOCAL INTERFLORA FLORIST OR CALL FREE 24HR A DAY ON

0500 43 43 43

SAME DAY DELIVERY FOR ORDERS BEFORE 1PM. WWW.INTERFLORA.CO.UK





### Digital Designer

Ness Bye

Maximise a company's internal  
by custom designing Intranets  
to their specific needs.

ent: Helped a network of ASD  
and speed of internal co  
Intranet design which th

People who think Intranet and  
are interchangeable

Monica Hayley on

ork ibm.com

IBM's final Se

are more think

business people



# Prescott gives £350m to pit communities

Ministers hope funding will offer a new chance to regions blighted by closures, reports Paul Wilkinson

HELP for struggling communities in former English coal-mining areas was offered by the Government yesterday with a £350 million aid package over the next three years. John Prescott, the Deputy Prime Minister, said the money was "a co-ordinated government response to combat the deprivation now faced by communities who once gave dedicated service to this country's coal industry".

"Much of the money will be targeted at the many pit villages in isolated locations that existed only because they were near a mine shaft. Efforts to attract new businesses have had limited success and much of the money will be used to improve infrastructure and provide incentives for potential employers. The proposals are based on recommendations published last summer by the Coalfields Task Force set up by Mr Prescott.



Prescott: wants former miners to be retrained

of about 1,000 drivers. Well, they are in the coalfield areas, perhaps we can begin to get them from the coalfields working and driving trains and getting a better performance." He later said he had already

seen how former miners in the Midlands had retrained successfully to work in the new Toyota car factory. Men in the North East had learnt new technology skills.

The aid package includes the establishment of an independent Coalfields Regeneration Trust to provide support, including advice and money for community projects to improve quality of life. The trust will receive £45 million over the three years, including part of a £10 million surplus from the miners' pension fund run by the former state-owned operator, British Coal. The pension money will be shared with communities in Scotland and Wales.

Mr Prescott drew some criticism from representatives of Scottish and Welsh areas who said that they had been expecting a deal that also covered them. But Mr Prescott replied that he was speaking as Minister for the English regions. "We have devolution now. Scotland and Wales already make their own decisions in matters like education and transport." He expected the Scottish and Welsh Offices to come forward with their own proposals soon.

He also announced the creation of an independent Coalfield Enterprise Fund to encourage small firms into the coalfields. It will involve both the public and private sectors. The Government will put in



Miners in Northumberland ending a shift in the 1950s. Today there are few jobs to take the place of the collieries

£5 million a year and he hoped matching funds from the private sector and the European Investment Bank could create up to £50 million to help new businesses.

A further £196 million of funds from the government-controlled regeneration agency, English Partnerships, will be "ring-fenced" for use in the coalfields. English Partnerships is already involved in a long-term project to reclaim and rejuvenate former mining sites. In 1996 it began a ten-year programme intended to create 46,500 new jobs, build 5,000 new homes and bring in £750 million worth of private capital investment.

Further funds in the new package will include £28 million from the Government's housing investment programme for new homes in the coalfields and £70 million from the Single Regeneration Bid budget.

Mr Prescott said: "It is not just about money, it is about working together in partnership for the good of the communities. We are seeking to repair the damage done by sudden pit closures. This is never

easy, but I believe this is an excellent start."

Joan Dixon, campaigns officer for the Coalfields Communities Campaign, welcomed the aid. She said: "It is a ray of light for the communities. It is hoped we can create a quality of life that will make the coalfields the sort of place where companies will be happy to relocate or set up."

## Dixons Most stores open Sunday

### PRICE BREAKTHROUGH ON APS CAMERAS

We've Christmas all wrapped up

#### LOWEST EVER PRICES

##### CHINON APS ZOOM NOW UNDER £50



**CHINON APS100 ZM ADVANCED PHOTO SYSTEM ZOOM CAMERA**  
• 25-50mm zoom lens  
• Built-in flash with red-eye reduction  
Was £69.99, £59.99

##### KODAK APS SAVE £5



**Kodak 1600 ADVANCED PHOTO SYSTEM CAMERA**  
• Drop-in easy film loading  
• Built-in flash with red-eye reduction  
Was £39.99

##### CHINON APS - NOW UNDER £20



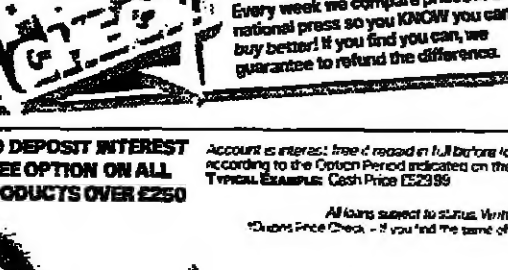
**CHINON APS100S ADVANCED PHOTO SYSTEM CAMERA**  
• Drop-in loading  
• Multiple print format  
• Self timer  
Was £29.99, £19.99

##### CHINON APS AUTOFOCUS - NOW UNDER £30



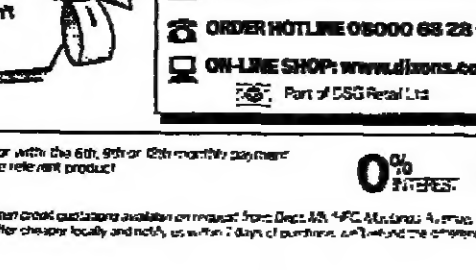
**CHINON APS100S ADVANCED PHOTO SYSTEM CAMERA**  
• Drop-in loading  
• Multiple print format  
• Self timer  
Was £29.99, £19.99

##### FUJI APS - SAVE £5



**FUJI POTOXIS ADVANCED PHOTO SYSTEM CAMERA**  
• Drop-in loading  
• Multiple print format  
• Self timer  
Was £29.99, £24.99

##### CANON IXUS L1 - NOW UNDER £100



**CANON IXUS L1 SILVER ADVANCED PHOTO SYSTEM CAMERA**  
• Drop-in loading  
• Multiple print format  
• Self timer  
Was £99.99, £79.99

#### DIGITAL CAMERAS SAVE UP TO £100

##### FUJI DX8 DIGITAL CAMERA



**FUJI DX8 DIGITAL CAMERA**  
• The value route to a quality digital camera  
• 640x480 pixels  
• 2MB upgradeable smart media card  
• 2" LCD screen and 30 image memory  
6 MONTHS INTEREST FREE OPTION\*  
Dixons Deal £199.99

##### SANYO DIGITAL CAMERA



**SANYO DIGITAL CAMERA**  
• 640x480 pixels  
• 2MB upgradeable smart media card  
• 2" LCD screen and 30 image memory  
6 MONTHS INTEREST FREE OPTION\*  
Dixons Deal £249.99 SAVE £100

##### FUJI M100 DIGITAL CAMERA



**FUJI M100 DIGITAL CAMERA**  
• 1280x1024 pixels  
• 2MB upgradeable smart media card  
• 2" LCD screen and 30 image memory  
6 MONTHS INTEREST FREE OPTION\*  
Dixons Deal £599.99 SAVE £100

### Lung cancer risk twice as high for women

By IAN MURRAY MEDICAL CORRESPONDENT

WOMEN are twice as likely as men to develop the most dangerous form of lung cancer, according to the largest British study of patients with the disease.

The study found that the small cell lung cancer was usually so advanced in women before its diagnosis that it was impossible to operate — the most effective form of treatment. In contrast, nearly half of male patients could be considered for an operation.

The study, co-ordinated by the Royal College of Physicians' research unit, used data from 46 hospitals and will allow checks on lung cancer survival rates across the country. The results, to be presented to the winter meeting of the British Thoracic Society today, will be used to urge the Government to introduce measures in its White Paper on tobacco to cut the number of teenage girls who take up smoking.

Mike Pearson, chairman of the society's public education committee, said the fact that women had less resistance to the most dangerous form of lung cancer could be due to changing patterns of smoking behaviour. "Many women took up the habit a decade after men, who smoked heavily during World War Two," he said. "Women may also smoke in a different way to men, for example taking shorter, sharper inhalations, which could have an effect on the kind and severity of cancer that they develop."

"Worryingly, smoking in teenage girls is on the increase and it is vitally important that young women know the risks they are running by smoking. We must prevent them becoming the cancer victims of the future."

### Chickenpox vaccine 'should be the norm'

By OUR MEDICAL CORRESPONDENT

CHICKENPOX immunisations save lives, prevent serious adult illnesses and should be routine for one-year-old children, researchers have recommended.

A vaccine has been licensed in the US for the past two years and is routinely used in Japan and Korea, but in not Europe, where it is also commercially available. Two studies and an editorial in the journal *Archives of Disease in Childhood* published today argue that the time has come to make vaccinations routine.

One study, in Singapore, found that only 20 per cent of vaccinated children developed the disease after being in contact with carriers, compared to 87 per cent of unvaccinated children. Only one of those who contracted the disease after being vaccinated had been given the best vaccine.

A ten-year study of unvaccinated but previously healthy children under the age of 16 in Switzerland, underlined the dangers of the disease. It found that one in four of those who were hospitalised with chickenpox developed neurological problems. Almost a third had secondary bacterial infections.

In her editorial, Dr Anne Gershon, of the Columbia College of Physicians and Surgeons in New York, pointed out that chickenpox could lead to more severe illnesses in later life, including shingles, encephalitis, ataxia (loss of co-ordination) and infections.

A Health Department spokesman said that there were no plans to include the vaccine in the childhood immunisation programme because it would first need to be shown that it was effective and safe and that enough people would be prepared to have it to make it worthwhile.

### Proof you don't need a big ad to create a lot of interest.

Our Instant Access Savings Account boasts an impressive 4.50% Gross\* on balances above £5,000, while on balances below it's a competitive 4.50% Gross\*. What's more, we actually guarantee to match changes in Base Rate\*\* until February 2000, on all balances above £5,000. For more details call free on 0500 804 804.

**BANK OF SCOTLAND — BANKING DIRECT —** call us free on 0500 804 804

### Crisis a thi farm

THE FARMER'S CRISIS...  
The farmer's crisis is a real one. It's not just about money, it's about the future of the countryside. The government has to do more to support the farming community. The farmer's crisis is a real one. It's not just about money, it's about the future of the countryside. The government has to do more to support the farming community.

### Waldegra worst mo

THE doctor...  
The doctor's worst moment is when a patient dies. It's a moment of great sadness and loss. The doctor's worst moment is when a patient dies. It's a moment of great sadness and loss.

...  
The doctor's worst moment is when a patient dies. It's a moment of great sadness and loss. The doctor's worst moment is when a patient dies. It's a moment of great sadness and loss.



# Crisis year cuts a third from farm incomes

By MICHAEL HORNSBY  
AGRICULTURE  
CORRESPONDENT

FARM incomes have fallen by a third this year, according to official estimates released yesterday. Farmers in Scotland have suffered worst, with earnings down by 42 per cent.

Lower prices for all main livestock and arable products are blamed for the collapse, along with oversupplied world markets, the relative strength of the pound and a poor growing season owing to adverse weather.

The fall in incomes this year comes on top of a sharp decline in 1997, adding up to a 63 per cent drop in real terms over the past two years. Ben Gill, president of the National Farmers' Union, said: "The statistics paint a disturbing picture. They confirm that the current recession in farming is the worst since the 1930s. Farmers and growers can gain some hope from the knowledge that the outlook for 1999 appears somewhat brighter."

Among encouraging signs, Mr Gill said, were the recent weakening of sterling, lifting of the EU ban on beef exports and an expected recovery in world commodity markets.

The NFU says that if the cost of family labour is deducted from farm earnings, incomes fell by 51 per cent in real terms this year, reflecting a loss in the value of agricultural output of £3,500 million over the past two years. Especially sharp falls were already expected for the incomes of sheep and cattle farmers in hill regions where arable agriculture is not possible. In these areas, the average income per farm is expected to have dropped by 67 per cent this year, down to no more than £2,400, compared with £13,800 two years ago. Even with the £120 million aid package million announced by the Government last month, average hill farm incomes will not rise to more than £5,300 and some farms will run at a loss.

Nick Brown, the Agriculture Minister, said: "In recognition of the special circumstances facing the livestock sector, I announced £120 million to farmers. This was in addition to the £150 million which the Government had previously announced. Such aid will provide substantial additional assistance to this sector, as will the lifting of the export ban on British beef."

The Ministry of Agriculture measures the total income received by farmers, partners, directors, spouses and family workers. This has fallen from £3,363 million in 1997 to £2,300 million this year. Three years ago, total income stood at £5,139 million. Revised estimates are due next month.

George Lyon, president of the Scottish National Farmers' Union, said the 42 per cent drop meant continued Government support was vital for Scotland's agricultural future.

Tim Yen, Shadow Agriculture Minister, called for an immediate end to the ban on beef on the bone, and for labelling rules requiring that food with a Union Jack logo "must be produced in the UK rather than merely processed here".

## SHOW'S PRIME CUT

A carcass of beef was sold for a record £9,000 at the recent National Show in London. The winner of the supreme British beef carcass award, a 10-month-old cross-bred heifer from Fife, was purchased by a hotel restaurant in Coventry. It plans to have the meat used for Christmas dinner, but the show organisers say the carcass will not be eaten.

Mr Waldegrave was asked by the inquiry panel whether the Government had ever drawn up contingency plans about what to do if BSE were shown to have infected people. This had not been done, Mr Waldegrave said, because it would in effect have meant planning for the failure of the Government's policy on BSE and would have taken too much time and manpower.

Mr Waldegrave was asked by the inquiry panel whether the Government had ever drawn up contingency plans about what to do if BSE were shown to have infected people. This had not been done, Mr Waldegrave said, because it would in effect have meant planning for the failure of the Government's policy on BSE and would have taken too much time and manpower.



Jeremy Rosenblatt is the new "people's representative" on the National Lottery Charities Board for Inner London. He said the job was "not a joy"

## Man of the people has £30m to spend

FOR most people, being chosen to help to spend £30 million of lottery funds would be a dream come true (Sally Steiner writes). But to Jeremy Rosenblatt, selected to represent the common man by the National Lottery Charities Board, the job is riddled with irritations.

"It's not a joy," he said last night. "You have the irritation of dealing with other people on the panel. It's a

matter of pragmatism." Mr Rosenblatt, a barrister from Westminster, was one of 32 people chosen at random from the electoral register and invited to apply for the position of "people's representative" for Inner London. He was one of ten to be interviewed for the job, and he fitted the bill. Aged 37, he is a middle-class family man, educated at the London School of Economics, with left-wing leanings. "They

asked what my interests were, whether I was publicly aware, concerned and empathetic. They also asked about my prejudices. I think that they were testing my objectivity."

Other representatives were similarly selected for Outer London and Yorkshire and Humberside. If successful, the pilot scheme will be taken up by all nine regional lottery panels.

Mr Rosenblatt must attend monthly

meetings for a year to decide which charities in Inner London are to receive lottery funding. Last week the panel allocated more than £5 million, of which £750,000 went to a charity for people with HIV, and £650,000 went to an East End housing project.

He said of his appointment: "It's a pain sometimes. Time is the biggest drawback, and my ability to work my professional diary."

## Waldegrave: my worst moment

By MICHAEL HORNSBY

THE discovery that "mad cow" disease had probably infected human beings was the worst moment of William Waldegrave's political life, the former Tory minister said yesterday.

Appearing before the BSE inquiry, Mr Waldegrave said the news had come as a "thunderbolt" when he learnt it from a Whitehall document in 1996. While Health Secretary from 1990 to 1992 and Minister of Agriculture from 1994 to 1995, he had been confident, on the basis of scientific advice, that the risk of BSE being able to pass to humans was remote.

Mr Waldegrave had moved on to Chief Secretary to the Treasury when Stephen Dorrell, Health Secretary from 1995 to 1997, told the House of Commons in March 1996 of the likelihood of a link between BSE and a new strain of the fatal brain disease CJD.

"All through my period at the Ministry of Agriculture it felt like the epidemic was disappearing slowly from animals. The minute arriving in my office from Mr [Douglas] Hogg [the Agriculture Minister] and Mr [Dorrell], I think, was the worst moment of my political life."

Mr Waldegrave was asked by the inquiry panel whether the Government had ever drawn up contingency plans about what to do if BSE were shown to have infected people. This had not been done, Mr Waldegrave said, because it would in effect have meant planning for the failure of the Government's policy on BSE and would have taken too much time and manpower.

## When the French didn't consider Paris fashionable, we did.



PARIS has long been home to some of the world's most desirable addresses. But in common with most cities, its property market isn't immune from ups and downs.

The property team at Standard Life Investments, the newly formed fund management house with assets of over £60 billion under management, have not just learned to accept these fluctuations, but to profit from them too. Everyone knows slumps become booms and vice versa. The real skill lies in predicting when one will turn into the other.

Back in 1995, we'd been watching the property market in Europe for some time. Paris was in a slump, but because we could see a recovery around the corner we decided to make investments in upmarket retail and office property in the city.

Of course, the timing had to be right, but as we predicted, the market recovered soon afterwards, bringing with it high returns on our investments. To the point where one of the developments in our portfolio was able to command the highest rents seen in Paris for over two years.

STANDARD LIFE INVESTMENTS

Profit from our knowledge.

75 is  
no age  
to be  
leaving  
home.

Rukba helps elderly people preserve their precious independence by providing them with extra income so they can afford to stay in their own homes.

We also have over 900 volunteer visitors who offer them something even more valuable than money - friendship.

If you would like further information telephone 0345 58 56 80 (Local Call Rate) or return the coupon below.

Please send to William Rukbone, Rukba, FREEPOST,  
6 Avonmore Road, London W14 8BR,  
The Royal United Kingdom Benefactors Association,  
Reg. Charity No. 210729.

Name

Address

Postcode

**Rukba**  
Helping elderly people  
stay independent

T-75

Standard Life Investments Limited is a company registered in Scotland (no. SC 15329). Registered Office: Standard Life House, 90 Leith Road, Edinburgh EH1 3BN. The Standard Life Investments Group includes Standard Life Investments (Channel Funds) Limited, Standard Life Trust Management Limited and Standard Life Investments Corporate Funds Limited. Standard Life Investments Limited acts as Investment Manager for The Standard Life Assurance Company and Standard Life Pension Funds Limited. Standard Life Investments Limited was formerly the Investment Division of The Standard Life Assurance Company. For your protection, telephone calls may be recorded. We may also monitor telephone calls to help us improve customer service. \* Regulated by the Financial Prudential Authority. † Regulated by BAFI.





David Constantine: blames English "insularity"

## A talent lost in translation

BOOK translators are campaigning for recognition, seeking to have their names on the covers of books rather than buried somewhere inside in the small print.

The men and women who help to make some of the world's great literature accessible feel they have been overshadowed and undervalued for too long.

Pay is another sore point. Suggested fees are £65 for a thousand words. In reality, most translators receive between £40 and £60.

Many authors agree that translators deserve more. When Portugal's Jose Saramago won the Nobel Prize for Literature this year, David Constantine, a poet and fellow of Queen's College, Oxford, whose translations include Goethe's *Elective Affinities*, said "you had to look pretty hard" to find any mention of Giovanni Pontiero, the translator who enabled most of the world to read *The Year of the Death of Ricardo Reis*.

"You won't find him on the cover," he said. "It's on about page four or five. As there are not that many translators working from Portuguese, it matters an awful lot in his case. Saramago is someone whose circulation depends on

**Dalya Alberge**  
on the growing dissatisfaction of those who make world literature accessible to all

a translator. Yet translators are perceived as an invisible agent."

Gordon Fielden of the Translators Association, part of the Society of Authors, said: "It is rarely the case that you can just transfer horizontally from one language to another. Languages have different tones and resonances."

"An entirely new work is created but one that gets across the peculiarities of the original. Translating is creating a work in a different language. It is not a decoding of something."

Dr Constantine blames a certain "conceit and insularity", a feeling that we do not "need foreign literature", for the translators' lack of recognition. In 1947 only 2 per cent of all the books published in Britain were translations, com-

pared with those in German-speaking countries, which topped 45 per cent.

Other countries present orders of merit to translators for services to literature: today Noel Clark will receive a Commander's Cross of the Republic of Poland for his work on Polish literature. Britain has nothing comparable.

Ros Schwartz, a translator who specialises in French, said: "There's a sort of conspiracy within the publishing world to pretend the book hasn't been translated. Bookshops think that people won't buy it."

"My concern is not just plastering one's name over the cover but saying to the reader, this is one person's reading. What you are getting is not a definitive translation."

There is, she said, a myth in publishing that translations do not sell. "But we know from, for example, Umberto Eco's *The Name of the Rose*, that that's not true."

She said that when someone commented to a well-known Czech author that he had changed his style, his reply was: "No, I've changed my translator." That, she explained, highlights the extent to which a translator can affect the original.

### HOW FOREIGN TEXTS ARE RIPE FOR INTERPRETATION

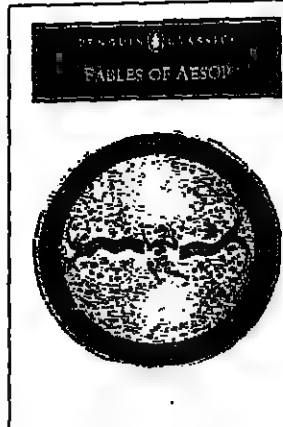
THESE two versions of an Aesop fable illustrate the translator's scope for expression. This fable gave rise to the English expression "sour grapes". *Omphale* can mean sour, but it is more accurate to translate it as unripe, since the sourness was a result of the unripeness.

□ *Sour Grapes* (from *Fables of Aesop*, Penguin Classics, 1954, translated by S.A. Handford):

A hungry fox tried to reach some clusters of grapes which he saw hanging from a vine trained on a tree, but they were too high. So he went off and comforted himself by saying: "They weren't ripe anyhow."

(In the same way some men, when they fail through their own incapacity, blame circumstances.)

□ *The Fox and the Bunch of Grapes* (from *Aesop: The*



*Complete Fables*, Penguin Classics, 1938, translated by Olivia and Robert Temple.

A famished fox, seeing some bunches of grapes hanging from a vine which had grown in a tree, wanted to take some, but could not



*Complete Fables*, Penguin Classics, 1938, translated by Olivia and Robert Temple.

reach them. So he went away saying to himself: "Those are unripe."

plained that the Victorians used them to convey their Christian ideals to boys and girls: "They added to them. We've taken off the frills and stripped them to their bare bones. They are very satirical, used as arguing points in political discussion." The Victorians had excluded the lewder passages such as *The Camel who Shat in the River*.

Dr Constantine says it is not just publishers who are to blame: reviewers are just as guilty. "When a translated work is reviewed, the attention is wholly paid to the work in its original without any reference to the fact that someone has translated it. There is no assessment of their work. That may be because relatively few reviewers are competent to make that judgment."

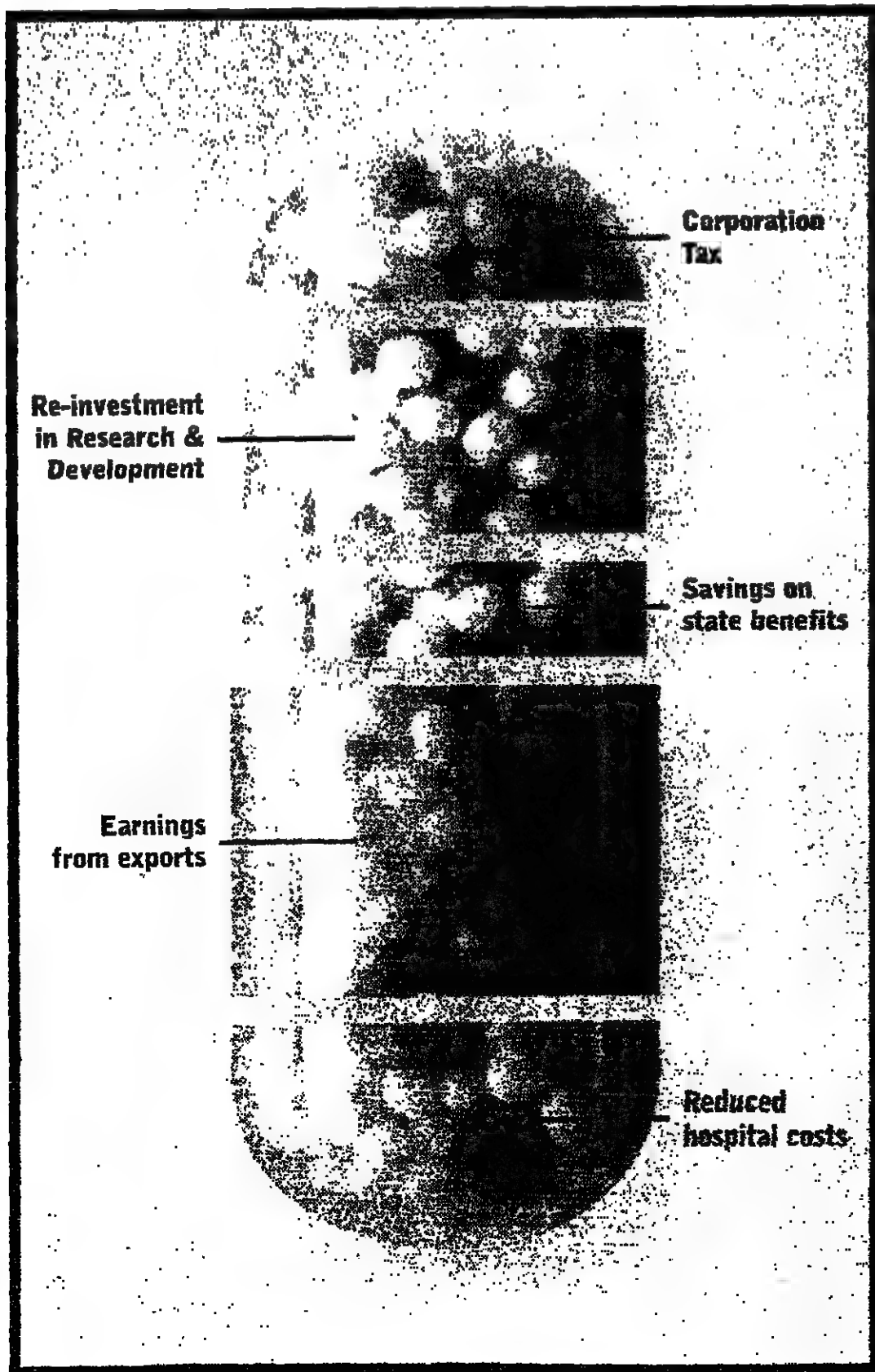
Above all, he added, "British readers are missing out. When the exam system was being revised, moving from O levels to GCSE, there was a

plea from translators that the school subject should not be English literature but literature. That fell upon deaf ears." Little improves at university level, he said. However, the British Centre for Literary Translation, a leading research department at the University of East Anglia, is heading a campaign for the art form to be recognised as a proper area of literary and linguistic activity.

Guido Waldman, the editorial director at Harvill, the publishers, said that they valued foreign books so highly, they devoted as much as two-thirds of their list to them. They place translators' names on the title pages below the author; on hardback editions, they include a mini biography — but not on the front.

The cover, he believes, is "dedicated to the main message — this is the book and this is why we suggest you should buy it".

# Sickness Benefit.



TAKE CARE OF AN INDUSTRY THAT TAKES CARE OF BRITAIN

This year, the National Health Service will spend £6 billion on medicines — about 25 pence per person per day.

In return, the pharmaceutical industry will re-invest some 20% of its annual turnover in the search for new and improved medicines.

This investment will benefit the National Health Service by helping to reduce hospital admissions and saving over £10 billion a year on patient care.

The value of medicines goes far beyond supporting the NHS. The pharmaceutical industry provides employment for more than 300,000 people and exports over £5 billion of medicines a year, producing one of the country's largest trade surpluses of £2 billion.

Over the past five years pharmaceutical companies have committed over £2 billion in capital investment, and more is planned.

The benefit of the industry is also felt within the Treasury as pharmaceutical companies in Britain pay hundreds of millions of pounds in Corporation Tax each year.

But perhaps the industry is least known for its investment in education, funding half of all post-graduate training for GPs and supporting universities to the tune of £100 million a year.

If all this good work is not encouraged, it wouldn't just be the industry that would fall sick. It would be the country.

The Association of the British Pharmaceutical Industry  
12 Whitehall London SW1A 2DY



### NEWS IN BRIEF

#### CPS studies report on Serb major

The Crown Prosecution Service is studying a report by Ministry of Defence Police into allegations that a Parachute Regiment officer breached the Official Secrets Act. Major Milos Stankovic, the son of a Serbian refugee, has been under investigation for a year on suspicion of passing unauthorised information to Bosnian Serbs during the war in Bosnia. It is expected to be some time before the CPS decides whether to prosecute Major Stankovic, 36.

#### Right this time

A burglar who switched names with a fine defaulter to get bail and abscond from Sunderland magistrates was jailed for five years at Newcastle Crown Court. Kevin Robson, 20, admitted perverting justice, escape and burglary.

#### Lockerbie blast

Thirty people were evacuated from their homes in Lockerbie after a man was seriously burnt in an explosion in a house. Niven Milligan, 47, was taken to hospital in Glasgow with 40 per cent burns from the suspected gas blast.

#### Cool cat rescued

A kitten stuck for two days after crawling 20ft along a pipe below a house was kept alive with a supply of ice cubes. Linda Fletcher, from Portchester, Hampshire, slid the ice down the pipe while firemen and the RSPCA dug her pet free.

#### Noise trials

The Government has launched a pilot study into the effects of aircraft noise on people's sleep. Glenda Jackson, junior Transport Minister, said trials near Manchester Airport would involve measuring people's sleep in their own homes.

### Drunken drivers may have cars confiscated

BY RICHARD FORD  
HOME CORRESPONDENT

DRINK-DRIVERS face having their vehicles confiscated and sold off as part of the annual Christmas anti-drunk-drive campaign.

Senior police officers are planning to target men aged 17-24 and hard-hitting adverts giving warning of the dangers of drinking and driving are being placed for the first time in young men's magazines such as *Loaded* and *FHM*.

The campaign, which will be launched today in Central London by John Reid, the Transport Minister, will involve television and newspaper advertising aimed at the same age group.

Police in Essex said yesterday that they would seize the cars of drink-drivers and after conviction urge magistrates to allow them to confiscate and sell the vehicles.

Chief Inspector Tony Rayner, the operations manager with the traffic division in Essex Police, said: "A drink-driver is breaking the law and anyone who uses a vehicle in the commission of a crime faces having that vehicle taken away from them."

Mr Rayner called on magistrates to back police requests for the confiscation and sale of vehicles irrespective of whether the car was an old banger worth £500 or a £15,000 BMW.

He said that too often magistrates looked at the value of the car and tended not to issue confiscation orders in cases involving more expensive vehicles. "It is a problem which we hope magistrates will look at," he added.

Under confiscation powers, cash raised from the sale of confiscated vehicles can be used to help pedestrians or to promote road safety initiatives.

### Oldest football stand to relive glory days

A NEGLECTED wooden football stand threatened with demolition has been discovered to be the oldest in Britain (Adrian Lee writes).

The stand at Milton Keynes City Football Club was built in 1899 by the London and North Western Railway for its employees. Until club officials found a photograph taken in 1900, and a newspaper cutting from the previous year recording its opening, it was be-

lieved that the 1904 wooden grandstand in Great Yarmouth, Norfolk, was the oldest. The club is to launch a £50,000 appeal to restore the stand, which has six tiers and was built for 220 spectators. They sat on boards and cushions until flip-top seats were installed in the 1980s.

Bob Flight, the club's chairman, said: "We wanted it pulled down but now we realise what an asset it is."

TV tried to save Arctic

Paris and Bonn in pact on child law

Silv



# TV trio plucked to safety after Arctic ordeal

FROM ROBIN LODGE IN MOSCOW

A THREE-MAN television crew, stranded for six weeks in appalling weather and bitter cold on a Russian island in the Arctic Ocean, was rescued by a Russian helicopter yesterday, just as food supplies were running out.

Rory McGuinness, an Australian cameraman, Tatsuhiko Kobayashi, his Japanese producer, and Nikita Ovsyannikov, a Russian wildlife expert, had been filming polar bears on Wrangel Island, 200 miles north of the Russian mainland and 350 miles west of Alaska, when the weather closed in just before they were due to fly out in mid-October.

High winds and blizzards made all flights impossible until yesterday, when a helicopter from the Russian Ministry for Emergencies took advantage of a full in the weather and a brief period of half light to pick the men up with their equipment and fly them to Pevek on the northern Russian coast, 200 miles north of the Arctic Circle.

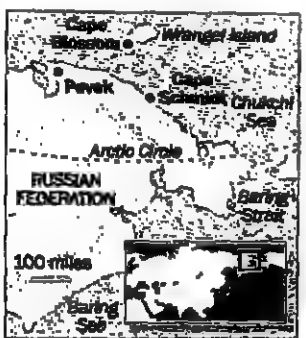
Speaking from Pevek, a small port which itself has been suffering problems over winter supplies, Mr Ovsyannikov said that the team was in good spirits. "We were in a cabin with enough fuel, quite safe and everyone was healthy," he said. "The only real problem was that we were running out of food." He said

they had developed a routine to survive. "I was doing the cooking for the guys and they were washing dishes and supplying water from snow." He said that the only supplies left were rice, some grain known as grechka, beans, sugar and tea. Meat had run out a week earlier.

A spokeswoman for NHK Television, which employs Mr Kobayashi, confirmed last night that all three were in good health but tired. She said the main difficulties had been fighting the cold, as well as eating out their supplies.

On their return to the mainland, the three adventurers went to a local restaurant to get their first decent meal in weeks, Mr Ovsyannikov said.

Despite their isolation, the three had remained in radio contact with local villagers and could call the mainland or make Internet contact via satellite.



like telephone. "Just imagine—even in our technological age, they fell into a situation like a Jack London novel, with polar nights in an isolated house, all quiet, with just the three of them." Mr Ovsyannikov's wife, Irina Merzushina, said in Moscow. But she added: "For Nikita the main thing is always not to lose one's head and not fall into panic... so I wasn't worried. It was only a question of time."

A spokeswoman for NHK Television said that there had been fears earlier that, with the onset of 24-hour darkness, any rescue flight would have had to be postponed until spring and that the men would have had to rely on food and fuel drops to survive. As it was, they had struggled to preserve fuel supplies to keep the temperature above freezing point inside their cabin.

Outside, the air was down to -20C (-4F), but it felt much colder because of the chill factor in the high winds. Mr Kobayashi was also troubled by complications as a result of a recent eye operation, according to Russian television. He had also not packed enough warm clothes.

An earlier attempt to rescue the team by snowmobile was abandoned because shifting ice prevented an expedition from the mainland across the frozen ocean.



Nikita Ovsyannikov, a wildlife expert, one of the team who endured weeks of bitter cold before being rescued

## Final bid by UN chief for Pan Am trial deal

BY MICHAEL BINYON  
DIPLOMATIC EDITOR

Kofi Annan, the United Nations Secretary-General, is to make a last-ditch attempt this weekend to secure a deal with Libya over the Lockerbie suspects.

With three weeks until the tenth anniversary of the Pan Am bombing, Mr Annan is planning an emergency trip to Libya to discuss the handing over of the two men suspected of carrying out the bombing.

He will warn the Libyans that Britain and America are preparing for tougher sanctions unless Tripoli responds soon to their offer of a trial in The Netherlands. Robin Cook, the Foreign Secretary, said in remarks published yesterday that Libya must comply promptly.

Mr Annan, currently on a tour of North Africa, is hoping to travel to Libya on Saturday from Egypt or Tunisia and meet officials just inside the border. If a deal to extradite the suspects, Abdel Baset Ali al-Megrahi and Lamine Khalifa Fhimah, can be concluded, he will travel to Tripoli for talks with Colonel Muammar Gaddafi, the Libyan leader.

So far, Mr Annan has not had any response from the Libyans, and is unlikely to make the journey without receiving assurances that the men will be sent to The Hague.

Britain and America have made clear to the UN that they will not accept any fudge, or negotiations about the conditions of the suspects' trial. Mr Annan has little room for manoeuvre, and knows that London and Washington will not agree to any postponement of the extradition or prior lifting of sanctions.

Officially, Britain insists that it has been encouraged by the Libyans' response to the August offer, and that clarification talks are still going on. Privately, however, officials say it is unclear whether Colonel Gaddafi dares risk sending the men to The Hague, fearing a backlash at home and possible revelations as part of a trial of official Libyan involvement in the plot.

## Paris and Bonn in pact on child law

FROM ROGER BOYES  
IN POTSDAM

FRANCE and Germany yesterday agreed to co-ordinate their positions on reunited families and bring closer together French and German law regulating access to the children of broken marriages.

The justice ministers of the two nations will meet to discuss the details on December 14. One of the beneficiaries of such a shift in policy could be Catherine Laylie, the wife of Britain's Ambassador to Washington, Sir Christopher Meyer. Lady Meyer, like other divorced French spouses, had her children illegally snatched by her former husband, who gained the support of his local north German court.

In a recent case, a French woman, having been given access to her children, collected them from the home of her ex-husband in Germany. On the way back, she was forced off the road by three cars full of hired men, who brought the children to her former husband. A German court decided that, although the action was illegal, the children should remain with the father.

There have been many such cases, presented as kidnapping by the French press and hardly noticed in Germany.

Lionel Jospin, the French Prime Minister, said: "One court should decide on the interests of the child—the court in the country where they last lived together as a family."

## Cannabis boom brings gang warfare to Albanian hills

FROM JAMES PETTIFER  
IN LAZARAT

HIGH in the Albanian hills, 30 miles from the Greek border, Ilija Rama looks at his wounds, including a partly healed 4in gash on his forehead. "I had 11 of these. I was clinically dead."

He survived, somehow. Mr Rama is one victim of Albania's burgeoning new drug wars that are threatening the fragile political stability after last year's anarchy. An explosion of cannabis growing

across the south has dropped the price of a kilo from about \$600 (£360) to only \$180.

Most of the drugs go to Greece, or by speedboat across the Gulf of Otranto to Italy. Cannabis is now the largest cash generator in Albania. Impoverished small farmers find it grows well here, and international efforts to crack down have foundered on badly paid police, who are easily bribed to burn a few plants but leave most of the

crop intact. The high point of success was in 1995, when more than 100,000 plants were destroyed. Last year that shrank to virtually nothing.

A journey in the hills here is to travel between mutually antipathetic little towns, with Socialists and ethnic Greek mafiosi in charge of the drug and smuggling trade, and strongholds like medieval fortresses that back Sali Berisha, the conservative former President. With 4,000 inhabitants here, the village can raise 1,000

armed men and it lives by the gun. There are also rocket launchers and heavier weapons as well as the ubiquitous AK47. The road up here is littered with burnt-out cars and police vehicles, relics of a pitched battle fought two months ago when government forces tried to storm it. But the challenge from Tirana was easily beaten off.

Lazarat is confident it can win again. Outsiders are not welcome and only a long explanation that I had known

Aziz Haydari, the assassinated opposition leader, allowed me into the village for a few minutes to see his new monument to the dead hero. A tall man covered me with his German pistol throughout.

Neratin Secka, the former Interior Minister, blames the drug business for the rising instability. "Last winter, we had reduced the murder rate from 200 to 40 a month. But now it is going the wrong way. I am an optimist about Albania with this coalition.

but ten or 15 people were dead in the city of Durres last month."

The Government's response has been to appoint hardline former Communists prominent in the Enver Hoxha era from the notorious internal police unit 326 to senior police jobs in the southern towns. But drug money talks to them and there seems little prospect of change as Greece's booming cannabis market brings new Mercedes by the dozen to southern Albanian streets.



President Milosevic and his hardline, ambitious wife, Mira Markovic

## Power struggle grips Belgrade

Wife of Milosevic increasing her control,  
writes Richard Owen in Belgrade

SIGNS of a power struggle are surfacing in Yugoslavia, six weeks after Slobodan Milosevic, the President, bowed to the threat of Nato airstrikes and agreed to a ceasefire in the rebellious province of Kosovo.

In the cafes of Belgrade, where the jostling for power is debated with growing frankness by Serb intellectuals, academics and journalists, opinion is divided over whether the authoritarian President has been strengthened or weakened by the Kosovo fallout.

Mr Milosevic's ambitious and powerful wife, Mira Markovic, a hardline Communist academic of the old school, has taken advantage of the in-fighting to advance her own position, and that of her party, the Yugoslav Left (JUL). But whether she has done so to bolster or undermine her husband is a moot point.

"The regime is tightly controlled and interpreting the omens is a skill similar to old-style Kremlinology," said Dejan Anastasijevic, a journalist on the weekly magazine, Vreme. Speculation has been fuelled by a purge in the

top echelons of the Yugoslav Federation (Serbia and Montenegro). First Jovica Stanicic, the astute head of the security services, was replaced by Rade Markovic, a police official and protégé of Ms Markovic (although not related to her). Then Milorad Vucelic, deputy leader of Mr Milosevic's Socialist Party, was dismissed as was General Ljubisa Velickovic, head of the air force.

The move that caused most stir was the abrupt dismissal last week of General Momcilo Perisic, the Chief of Staff, a national hero dubbed the "Knight of Mosmar" for his role as commander of the Serb forces during the conflict in Bosnia. General Perisic's crime, it seems, was to question the use of brutal methods to put down the rising by ethnic Albanians in Kosovo, with wholesale shelling and burning of villages alleged to be strongholds of the rebel Kosovo Liberation Army.

When Nato threatened airstrikes, General Perisic's unwelcome advice to Mr Milosevic was that Serb forces "cannot take on the whole world".

Because the general was a signatory to the ceasefire agreement hammered out by Richard Holbrooke, the American special envoy, in mid-October, Mr Milosevic could not move against his Chief of Staff immediately. When he did, General Perisic astonished even veteran observers of Yugoslavia by hitting back.

In a statement released to an independent news agency (in itself an unprecedented act), General Perisic said that he had been replaced in an "inadequate and illegal way... This establishment clearly does not like officials who use their own heads." Obviously for Mr Milosevic, he added: "I remain at the disposal of the army, the people and the state."

The chances of an army coup

led by the former Chief of Staff, if that is what he meant to imply, are not rated highly. On the other hand, the forced withdrawal of Serb special forces from Kosovo and the arrival of Western monitors is resented by many officers.

Ms Markovic is said to be "stiffening her husband's backbone" in the face of the discontent. It was she as much as the President who clashed with Mr Stanicic and General Perisic when they refused to use "excessive force" to crush student protests against Mr Milosevic in 1996. And she is ambitious in her own right and is said to have moved closer to Vojislav Seselj, the Serb ultra-nationalist whose Radical Party is a key element in the Milosevic coalition.

"Mira's Yugoslav Left is gradually taking over the levers of power from her husband's Socialists," Mr Anastasijevic said. □ **Malisevo, Serbia:** President Milosevic has refused to tell Serb police to abandon their base here, a key Kosovo position. Their presence is said to be frightening hundreds of ethnic Albanians from returning home. (Reuters)

# silver.service@demon

at demon we wait on you hand and foot . first we get you on-line the easiest way possible . then we're there 24 hours a day , 7 days a week should you ever need us . for your free 30-day trial cd and brochure , just call 0800 458 9666 or scribble your name and address anywhere on this ad , and send it to us at freepost demon ( yes , that's all you have to write ) . if you've bought a Mac® with OS 8.5 software , you don't even have to do that . just click on the demon icon ( in the internet folder ) . whichever way , we're at your service .

Mac® friendly

➡ **Demon Internet**

more people get on with us

**0800 458 9666**

www.demon.net email : sales@demon.net



# Gaza scandal threatens aid

FROM CHRISTOPHER WALKER IN JERUSALEM

THE pledge by 50 foreign donors at a Washington conference this week of more than \$3 billion (£1.8 billion) in aid to the Palestinians has revived concern over the corruption already endemic in Yasser Arafat's fledgling state.

Britain, with its increased pledge of £106 million over a three-year period, is sending Derek Fatchett, a Foreign Office minister, back to the West Bank and Gaza Strip next week with, among other aims, a determination to try to ensure accountability about how the money will be spent.

Whitehall officials are concerned because £55 million of Britain's contribution will go to European Union programmes. An EU report this week said that large sums from earlier contributions had been squandered on luxury villas for Arafat loyalists in Gaza. It showed that an estimated \$20 million earmarked to provide cheap housing for Palestinians had been used instead to finance luxury apartments for rich supporters of Mr Arafat. Although he is of ascetic personal habits, the Palestinian leader is known

to surround himself with profligate big-spenders. EU auditors were quoted as saying the money was spent "without any economic controls and is not recoverable".

Ten of the apartments involved in one of the housing scandals have been built opposite the squalid Nuseirat refugee camp, south of Gaza City. Palestinian sources said that 90 per cent of the EU-financed apartments were given to "returnees", those cronies of Mr Arafat who had lived with him in his earlier sojourns abroad in Beirut and Tunis. Two of them were said to be in the direct control of the Palestinian Industry Ministry.

The housing project was part of an earlier \$60 million EU aid package and was administered by the Palestinian Housing Authority, which has refused to meet EU auditors, according to the Union's internal financial control report seen by *The Sunday Times*.

It had been originally planned to use the package for a self-sustaining building programme to provide cheap mortgages to Palestinians on modest incomes. The proceeds

from the mortgage repayments were intended to finance further construction. Instead, building costs rose to about \$50,000 a unit — 80 per cent higher than planned.

According to the EU auditors, this made the apartments "inaccessible to the layer of the population for which they were planned".

However, Abdel Rahman Hamad, the Palestinian Authority Housing Minister, yesterday disputed the claims. "I don't see any corruption in housing," he told a press conference.

He said that low-income Palestinians were the chief beneficiaries of subsidised housing in the West Bank and the Gaza Strip, claiming that 90 per cent of the buyers of 922 EU-funded housing units in Gaza had incomes of less than \$600 a month.

He acknowledged that buyers did include some Arafat associates who had returned from exile.

Earlier, an internal Palestinian audit found that half the Palestinian Authority's £194 million budget for 1997 had been lost to corruption or mismanagement.



Thousands of ultra-orthodox Jews in their traditional black and fur hats joined hands and packed a Jerusalem street yesterday to celebrate the wedding of two teenagers from dynastic Hassidic families. The groom, Yisrael Menachem Alter, 19, is the son of the Gur Rebbe, the leader of the Gur Hassidic sect, and his bride, Esther Eiger, 18, is the granddaughter of the Rabbi of Lublin.

## Saddam relative dares to go home

FROM MICHAEL THEODOULOU IN NICOSIA

BARZAN AL-TIKRITI, a half-brother of President Saddam Hussein, made a surprise return to Iraq yesterday after an absence of nearly a decade. He said his intention was to quash rumours that he was about to defect.

Dissidents had believed that Mr al-Tikriti, who had served as Iraq's Ambassador to the United Nations in Geneva, would never dare go home because of a long-running feud with Saddam's volatile son, Uday, whom he once described as "greedy and unfit for power".

Diplomats believe that his safety has been guaranteed by Saddam, who is keen to foster a façade of unity while Baghdad still faces the threat of American airstrikes over weapons inspections. According to black-bordered banners hung in Baghdad squares, Mr al-Tikriti is to receive condolences in the family's home region

of Tikrit over a three-day period starting tomorrow on the death last month of his wife.

The banners in Baghdad said that Mr al-Tikriti "will receive condolences for his late wife in his home town, Owja". His wife, Ahlam Khairallah Tulfah, a sister of Saddam's wife, died of cancer in Switzerland last month. The body was returned to Iraq last week.

Leaders of a campaign to try Saddam and other Iraqi leaders was prompted by fears that he might face indictment. The Pinochet affair had shown him that he could not expect immunity. "To show that we mean business, we did start proceedings a few days ago against Barzan," said Ann Clwyd, Labour MP for Cynon Valley, who chairs Indict. "As head of Iraqi intelligence from 1979 to 1983, he was responsible for widespread acts of murder, torture and rape."

WorldCover Direct  
Annual Travel Insurance

No one gives you so  
much cover for so little.

READER OFFER — THE TIMES

ENJOY A  
EUROPEAN  
BREAK  
FROM JUST  
£24 PER  
PERSON



See The Times on Saturday  
for full details and Token 1

CHANGING TIMES

Orange Everyday 20 could mean it's time  
to say goodbye to your BT phone.

What you get for a total of 50p per day

	Orange Everyday 20	BT
Number of minutes of national off-peak calls	20 minutes every day	5 minutes weekdays or 7 minutes weekends
Line rental	✓	✓
Caller display	✓	X
Call waiting	✓	X
Call divert	✓	X
Conference calling	✓	X
Busy facility	✓	X

Orange Everyday 20 gives you 20 minutes of off-peak calls on the best performing digital mobile network in the UK, to anywhere in the country for 50p a day. It's ideal for people who want a phone to use at evenings and weekends. Call 0800 80 10 80 for details or visit [www.orange.co.uk](http://www.orange.co.uk)

Prices based on standard network recommended rates, excluding discounts or optional schemes and promotional offers.

Orange Everyday 20 includes 20 minutes of off-peak calls per day. Peak rate calls cost 40p/minute. Any additional off-peak calls cost 10p/minute. Orange off-peak period is 7pm-7am. BT off-peak period is 6pm-8am. Connection to Orange is subject to status and a one-off connection charge of £35. Connection to a new BT line is subject to a one-off connection charge of £16.50.

Thieve  
ive Par  
rich th  
sausag  
eatme

WORLD IN BRIEF

makov hint  
death penal

aks' second tak

le in poison se

ing dissidents

man rights cha

BURBERRY

Waiting Tailor Serv

0171 2



# Thieves give Paris rich the sausage treatment

FROM BEN MACINTYRE IN PARIS

A SOPHISTICATED gang of burglars, armed with pistols, masks and a copy of the French *Who's Who*, is terrorising the smartest neighbourhoods of Paris by breaking into the homes of wealthy celebrities, tying up the occupants and making off with cash, jewellery and other valuables.

The gang appears to be targeting the Parisian beau monde, including showbusiness personalities, politicians and businessmen. Most of the burglaries follow a similar pattern and almost all have taken place in the expensive 16th arrondissement in the west of Paris or the exclusive

suburb of Neuilly. In recent months, they have struck the homes of singers Charles Aznavour, Sylvie Vartan and Michel Sardou, the businessman-writer Paul-Loup Sulitzer, the mother of fashion designer Yves Saint-Laurent, and a former Cabinet minister, Lionel Stoleru.

The latest victims are the hugely wealthy Trigano family, the founders of the Club Méditerranée resorts, whose apartment was ransacked last weekend. Gisela Trigano, whose husband Serge, the former head of Club Méd, was on a foreign trip at the time, was woken in the early hours of Sunday by at

least three men wearing masks and gloves who had broken in by forcing the lock on the apartment door.

Mrs Trigano was threatened, tied up with masking tape and then watched as the robbers looted her home of cash and jewellery worth an estimated Fr1 million (£108,000).

Almost precisely the same technique was used to rob M Stoleru, the former Socialist Employment Minister who now runs an orchestra and lives just a few streets away in the 16th arrondissement.

At 3am on November 6, M Stoleru was awakened "by two masked men who hit him in the face

with a cosh". M Stoleru and his wife were bound to the bed with electrical wire, and for three quarters of an hour the robbers threatened them and demanded to know the whereabouts of their safe.

M Stoleru finally persuaded his attackers there was no strongbox, and the thieves fled with Fr15,000 in cash.

The robbers appear to be targeting not just wealthy and prominent Parisians, but also their relatives and spouses, often striking when only one person is at home, as was shown last December when the wife of Charles Aznavour and the mother

of the industrialist Vincent Bolloré were robbed in their homes. Both robberies were carried out in the 16th arrondissement.

"This is, sadly, a well-known technique, often employed against elderly people," one investigator from the crime-fighting Brigade de Repression du Banditisme (BRB) said.

In French police parlance, the tying-up of victims during a robbery is known as *saucissonage* or sausage-making, after the trussing methods used by French butchers.

There are indications that more than one gang may be at work. On November 5, the home in Neuilly of

M Sardou, one of France's most popular singers and composers, was looted of Fr2 million in cash and valuables without waking up the occupants. Earlier this year, the celebrated perfumier Jean-Paul Guerlain was taken hostage while his grand estate outside Paris was ransacked, and the family home of M Sulitzer, a best-selling writer, was similarly robbed at gunpoint last March.

"I don't know if we can yet talk about a 'fashion' in this sort of crime," one police investigator said. "But it certainly shows that information on the best people to target circulates around the underworld."

## Diners stricken by horse parasite

BY BEN MACINTYRE

MORE than 400 people in southwestern France have been stricken with potentially life-threatening intestinal parasites after eating horse-meat imported from Serbia.

More than 30 people needed hospital treatment when the epidemic of food poisoning from the *Trichinella* threadworm broke out in the Toulouse region, including one man who went into a prolonged coma and is still unable to speak. The victims have formed an association to sue those responsible.

The first cases of *Trichinella* poisoning, which can affect the heart and proves fatal in five out of every 1,000 cases, were identified in early October and the parasite has since been traced to a single horse that was imported from Serbia.

France consumed 37,000 tonnes of horsemeat last year: 34,300 tonnes of the total were imported, principally from Poland, Canada and the United States.



The popular singers Charles Aznavour, Michel Sardou and Sylvie Vartan have been among the Parisian celebrities targeted by the gang

### WORLD IN BRIEF

## Primakov hints at death penalty

Moscow: Yevgeni Primakov, Russia's Prime Minister, alarmed human rights activists by suggesting that the moratorium on the death penalty should be revoked (Anna Blundy writes). A total of 850 people are on death row. No executions have been carried out since 1996, when President Yeltsin declared the moratorium, but courts still order about 200 death sentences a year. Mr Primakov, speaking in response to the murder of Galina Starovoitova, a leading pro-democracy figure, said that violent criminals had "thrown down a challenge. We may be talking about the physical elimination of those who raise their hands against society."

## Hanks' second take

New York: A day after reports that Tom Hanks, the Hollywood star, said he regretted giving \$10,000 (£6,000) to the Clinton legal defence fund, the actor said he still supports the President. "If I was asked to do it again, I would probably give twice as much," Mr Hanks said as he entered a benefit event for AIDS research. In an interview in *The New Yorker*, the actor said that he regretted making the donation in the light of President Clinton's admission about his relationship with Monica Lewinsky. (AP)

## Nestlé in poison scare

Frankfurt: The Swiss-based food giant Nestlé was forced to clear some products off supermarket shelves in the German state of Hesse after a protest group claimed to have laced them with poison. The group, "Robin Hood of Sherwood Forest", said that it had poisoned five products made by the company or its subsidiaries to protest against Nestlé's use of genetically-engineered food products. The company said that it was an extortion attempt. No trace of poison had been found by last night. (AFP)

## Beijing dissidents held

Beijing: In an apparent attempt to crush a budding opposition party, the police have detained two of China's most prominent dissidents and three other democracy campaigners, a human rights group and relations of those taken into custody said. Those arrested were Xu Wenli, Qin Yongmin and other members of the China Democracy Party. Li Peng, Chairman of the National People's Congress, was quoted yesterday as saying that Western-style democracy was inappropriate for China. (AP)

## Human rights charge

Cairo: An Egyptian court ordered a 15-day detention of the secretary-general of the Egyptian Organisation for Human Rights, Hafez Abu Saada, and accused him of taking foreign funds with the intention of "harming national interests". Judicial officials said. The order was made by the state prosecutor after Mr Abu Saada was questioned about a \$25,000 (£15,300) cheque from the British parliamentary human rights committee. (AFP)

# Millions to shareholders

# OR

# Millions to share?

## Limited Offers

### Members' Bonds

exclusively for members of 3 years or more

### Members' Reward Bond

## 7.75%

gross p.a. (variable)  
3 year term

### Members' Fixed Rate Bond

## 7.35%

gross p.a. (fixed)  
1 year term

At Nationwide loyalty is something we've never taken lightly. Members who have been with us for at least three years, now qualify for even greater rates of interest, with our Members' Bonds.

Because we are a building society we have no shareholders to pay dividends to, only members to reap the rewards of our success. So for as little as £1, or as much as £5,000, you can earn interest rates of 7.75% gross p.a. (variable) or 7.35% gross p.a. (fixed) on your investment. And if you need to access your money, you can close your Bond before the end of the term, with 90 days' notice or 90 days' loss of interest.

## It's your choice – you decide

## It pays to decide...

# Nationwide

## The World's No.1 Building Society

### How do you join us?

Call 0500 30 20 10,

quoting MB01

[www.nationwide.co.uk](http://www.nationwide.co.uk)

or visit your local branch

Rates quoted for the Members' Reward Bond may vary but are correct at the time of going to print. The Bonds are available on a limited basis only: Members' Reward Bond and Members' Fixed Rate Bond are only available to existing members of Nationwide Building Society who have held a continuous relationship with the Society for at least 3 years at the date the Bond is opened. The maximum amount that can be invested in each Bond is £5,000 on a sole name or £10,000 in joint names. Only one of each Bond per person is allowed. The maximum number of Bonds is 10. The maximum term is 5 years. The Members' Fixed Rate Bond has a 1 year term. Early closure of the Bonds is subject to 90 days' notice or 90 days' loss of interest. Income tax will usually be deducted from interest at the appropriate rate unless you are registered to receive interest gross as required by the Inland Revenue. Additional tax may be payable if you are a higher rate taxpayer. Nationwide is a member of the Building Societies Ombudsman Scheme and subscribes to The Banking and Mortgage Codes. Nationwide Building Society Head Office: Finsbury Way, London EC2A 3JW.

**BURBERRY**

Visiting Tailor Service

0171 839 2434



**THE BEST THINGS THIS CHRISTMAS**







# A cure for cancer or just a good story?

Medical breakthroughs are not always as miraculous as they seem, says Anjana Ahuja

When one of the world's most respected newspapers splashed a story on its front page claiming a cure for cancer, people sat up and took notice. The story, about drugs that could banish tumours in mice, was full of ifs, buts and mightys — but the claimed breakthrough seemed to touch a particular nerve.

The story in *The New York Times*, coupled with effusive endorsements from two renowned scientists, had an immediate impact. Cancer patients all over America jammed phone lines trying to find out where they could lay their hands on these medical marvels. But the ramifications were also financial. On the day the story appeared, in May, shares in the biotechnology company involved in the research soared briefly to six times their price at the start of trading. The journalist who broke the exclusive, Gina Kolata, a long-serving science reporter for the newspaper and respected author, received a call from a very influential literary agent, John Brockman. He was confident of securing a \$2 million deal if she would write a book on the subject. Kolata duly dispatched an outline by e-mail the same day. Now, however, the saga of the miracle cancer cure has not ended as happily as it began; it joins a list of touted "breakthroughs" that have yet to fulfil the promises of front-page headlines.

The supposed cancer cure stemmed from the theory that cutting off the blood supply to a



Gina Kolata: surprised by reaction

tumour would kill it. Dr Judah Folkman, of the Children's Hospital in Boston, discovered a protein, angiostatin, that acted as a stopcock and thus deprived tumours in this way. He harvested the compound from mice and injected it into cancer-ridden mice each day for a fortnight. He also injected a control group of mice with saltwater over the same period. All ten mice given angiostatin had no tumours, unlike those dosed with saltwater.

Dr Folkman then discovered a second tumour-killing protein, endostatin. When he injected the two chemicals together, they proved a deadly double act. Endostatin did the groundwork, shrinking tumours; then angiostatin moved in for the kill, targeting the blood vessels feeding the tumours. Surviving

mice showed no side-effects of this combination, even when given four times the necessary dose. Provided they could collect enough of the two compounds to give to humans, there was every reason to be elated.

Word spread. Dr Richard Klausner, the director of the National Cancer Institute (NCI) in Maryland, was quoted by Kolata as saying the research was "the single most exciting thing on the horizon" for the treatment of cancer. The article also featured the Nobel prize-winning co-discoverer of DNA, James Watson, heaping praise on Dr Folkman, saying he would rank alongside Darwin for his contribution to civilisation. After consulting with her editors, Kolata retracted her e-mail, citing a possible conflict of interest.

Both Dr Klausner and Dr Watson later issued statements claiming they had been misquoted (a correction regarding the former's comments was published in *The New York Times*). This month saw the latest twist. There were rumours that Dr Folkman's claims had not been widely reproduced in other laboratories. Aware of the implications for the biotech companies involved, *The Wall Street Journal* looked at how the trials were faring. It found that the NCI was so concerned that a panel of experts was being assembled to examine the issue. Then Dr Folkman agreed to meet representatives to demonstrate his technique. An NCI spokesman this week said the meeting was "imminent" and that therefore an expert panel was no longer needed.



Of mice and men: many writers would have been excited, despite the drugs being years away from human testing

When asked if laboratories had managed to repeat the results, he said: "There were problems with what was presented previously. The work is immature, but that is the way of drug development." A statement for the NCI is more forthcoming: "... to date, NCI studies using mouse or human forms of endostatin have not produced the marked regression of these tumours in mice that Folkman's laboratory has reported. Scientists from NCI and Folkman's laboratory are

working together to resolve the differences in their results." Another company, Genentech, revealed its scientists had tried for a year without success to replicate Dr Folkman's observations. But Dr Folkman, a well-respected scientist who has been touted as a future Nobel laureate and who also urged restraint on the issue of curing cancer in humans, has hit back at critics, saying: "The anti-tumour activity of endostatin has, in fact, been reproduced in other laboratories in

addition to ours." He names only one, the Beth Israel-Deaconess Hospital in Boston. In the same statement he also hints that failures may be due to insufficiently advanced techniques. On the claims of misquoting Dr Klausner and Dr Watson, Kolata says she does not want to get into a dispute with them but stands by her story: "Of course I am surprised by the reaction to the story, but it stood up to incredible scrutiny. Nobody, when I wrote it, dis-

ed it. What I have written speaks for itself. And I wrote about mice, not humans."

Kolata has been criticised for overplaying the story but many science writers would have been just as excited, despite the drugs being years away from human testing. And it is likely that Dr Folkman's valuable efforts will eventually benefit cancer sufferers. In other cases, however, scientists themselves play up their research because publicity can help in getting grants. The result can sometimes be breakthroughs that fizzle out.

Hydrazine sulphate, a chemical found in rocket fuel and insecticides, was first tested on humans in the early 1970s. Several formal trials failed to show it worked, although some doctors said the drugs were administered in inappropriate doses and without strict controls. It still claims some fans, including Kathy Keeton, the wife of the *Penthouse* publisher Bob Guccione, who is a public advocate.

The publication of a 1992 book, *Sharks Don't Get Cancer*, caused ripples of excitement. The US Food and Drug Administration gave approval for clinical trials of treatments containing shark cartilage, a valid basis for a story. Although the tabloids have featured stories about sharks curing readers' cancers, the past six years have shown no concrete confirmation of the potency of this unusual material.

There are other developments which, although not written off, have been dismissed as rather fanciful. One such idea was promoted recently by astronomers at the Royal Observatory in Edinburgh. The fringes of outer space, they claimed, were peppered with hitherto unobserved black holes, the densest objects in the universe. They possibly held the key to one of the most enduring mysteries of modern science — that there ought to be more mass in the universe than has been observed. These new black holes must be the hiding place of the missing mass. An excited press conference and enormous publicity were followed by embarrassment as other astronomers questioned the results, which some said had been interpreted incorrectly. The episode was traced back to an over-ambitious press release by the organisation that funded the research.

And who can forget cold fusion, where British scientists claimed they could conjure up vast quantities of energy on a laboratory bench for almost nothing? A decade later, nobody has satisfactorily reproduced those startling results. Still, watch out for those fusion headlines again soon.

The Perfect Combination  
Our hotels are first class,  
but not our prices

## ALL WEEK

Mirfield, East Sussex  
The Star Inn  
Banbury, Oxfordshire  
Whitely Hall  
Christchurch, Dorset  
The Avonmouth Hotel  
Dartmouth, South Devon  
The Dart Marina  
Dorchester, Somerset  
The Luttrell Arms  
Newport, Westfordshire  
The Green Dragon  
Maidenhead, Berkshire  
The Castle & Ball  
North Berwick, East Lothian  
The Marine  
Paisley, Cornwall  
The Metropole  
Salisbury, Wiltshire  
The White Hart  
Sherborne, Dorset  
The Sherborne

## MID-WEEK

Bath, Avon  
The Francis  
Devonshire, Devonshire  
The Perpetual of the Peak  
Lewes, Sussex  
The Swan  
Oxford, Oxfordshire  
The Eastgate Hotel  
Rye-on-Wye, Herefordshire  
The Royal  
St. Andrews, Fife  
Rusacks Hotel

## Bed and Breakfast

£29  
per person per night



Sturford-upon-Avon  
The Swan's Nest  
Ullenhurst, Cambridgeshire  
Leeming House  
Windsor, Cambridgeshire  
The Old England  
Woodstock, Oxfordshire  
The Bear  
Worcester, Worcestershire  
The Gifford

## WEEKENDS ONLY

Abingdon, Oxfordshire  
The Upper Reaches  
Ascot, Surrey  
The Berylade  
Cambridge, Surrey  
Frimley Hall  
Dorking, Surrey  
The White Horse  
Farnham, Surrey  
The Swan Hotel  
Hertford, Hertfordshire  
The White Horse  
Kington, Surrey  
The Kingston Lodge  
Bloxham, Hampshire  
The White Horse  
Basing, Wiltshire  
The Thames Lodge  
Winchester, Hampshire  
The Wines

Offer available for bookings taken before 20 December 1998.  
There are some associated costs and not part of the Heritage collection.

Heritage  
HOTELS

Individual hotels for every Individual

0345 40 40 40

Quoting reference 'Style 1' www.heritage-hotels.com

Heritage is a division of Forte Hotels

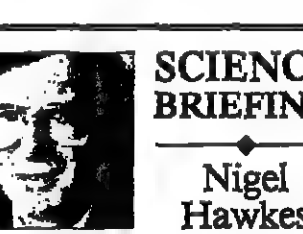
## One under the skin

HUMAN BEINGS, despite appearances, are remarkably similar under the skin. Africans, Asians and Europeans may look very different, but their genes tell another story. So why do we look so distinct? Stanley Ambrose, an anthropologist at the University of Illinois, thinks that he can explain the similarities and the differences by postulating a crisis that came close to wiping out the human race 70,000 years ago. With the help of volcanologists, he has even identified the event which caused the crisis: a huge eruption of Mount Toba in Sumatra.

The genetic similarity of today's human beings implies that we all originated from a relatively small gene pool. The amount of variation in mitochondrial DNA, which passes unchanged from mothers to children, suggests that the original pool of women cannot have been much greater than 10,000 at the start of the big expansion, 40,000 to 50,000 years ago, when stone tools were developed.

This very low population from which we all descend is difficult to reconcile with evidence that early man occupied

large areas of Africa, Asia and Europe at that time. But the data do fit if one assumes that some time after modern humans left Africa 100,000 years ago, there was a crisis that reduced populations everywhere to very low levels. According to Henry Harpending, a Pennsylvania State University geneticist, this genetic "bottleneck" must have occurred between the exodus from Africa



## SCIENCE BRIEFING

Nigel Hawkes

of *Homo sapiens* and the emergence of stone tools.

Dr Ambrose says that the event responsible was the eruption of Toba. A giant lake, 100km long by 30km wide, marks the spot where the greatest eruption of recent times took place. Geologists believe that about 2,800 cubic kilometres of material was produced in an eruption lasting at least two weeks. As much as 300 cubic kilometres of ash was hurled into the atmos-

phere, according to calculations by Michael Rampino, a New York University geologist, making it the largest volcanic eruption in the past 400 million years. Dr Rampino claims that the eruption caused a "volcanic winter" as ash blotted out the Sun, lowering temperatures by 21C at high altitudes and killing 75 per cent of plants.

The effect on humans would have been devastating, especially if, as Dr Ambrose thinks, the six years of volcanic winter were followed by a 1,000-year ice age. Humans were used to a much balmer climate. "After 60,000 years of basking, they were suddenly thrown into the freezer," he told *Discover*.

Huge numbers died, and only a few pockets, in Africa, Europe, and Asia, survived. Human life hung by a thread. Then it began to recover, as the climate warmed once more. But the surviving populations were low, and genetic change always happens more quickly in small populations. This explains why there is the strong divergence and why, though we all probably came from Africa, we do not all look like Africans.

## Whistling reveals which dolphin is which



BOTTLENOSE dolphins communicate by high-pitched whistles. But what exactly are they saying? Working it out is very difficult, not least because dolphins rarely give any outward sign that they are whistling, so in a group it is impossible to tell which is making the noise. This problem is avoided if only a single dolphin is present, but then it may not have a lot to say.

Two biologists from the University of St Andrews, Dr Vincent Janik and Dr Peter Slater, have studied a group of four dolphins at Duisburg Zoo in Germany. They were in two pools,

connected by a narrow channel. They could choose to be in either pool at any time, which enabled the sounds they made when on their own in either pool, and separated from the rest, to be identified with a particular dolphin.

In *Animal Behaviour* the biologists report that the dolphins, when isolated from the rest of the group, used "signature" whistles unique to them. But they never used these sounds when together. The conclusion is that these whistles are used to maintain the cohesion of the group. They are saying, in effect, "I'm over here". In the wild, similar behaviour would enable the group to hunt without losing touch.

## Yeast raises wine quality



AT A meeting in Vindignon in The Netherlands today, Dr Sylvie Deguin of the French National Institute for Agricultural Research in Montpellier will report on the construction of a yeast that produces more glycerol and less acetic acid in a wine. "Yeasts so altered may help to improve wine quality," she says. "Alongside alcohol, glycerol is the main by-product of fermentation, giving sweetness and fullness."

The scientists modified yeast, *Saccharomyces cerevisiae*, by boosting the gene responsible for producing the enzyme that determines the amount of glycerol and switching off the gene responsible for acetic acid. The new strains produce two to three times as much glycerol, and fermentation takes place more quickly, saving time and money. They should, Dr Deguin says, be welcome in colder areas, making a wine with greater body. Industrial strains are being produced, with large-scale testing needed to prove that they work.

## Switched-on genes



AMERICAN researchers have implanted a gene into the brains of rats that can be turned on or off at will. The technique will be useful in developing treatments for diseases such as Parkinson's and epilepsy, they believe, and they also plan to use it to test new ways of controlling obesity. Dr Richard Samulski of the University of North Carolina and colleagues used a virus rather like the one that causes the common cold to carry two genes into the rats' brains.

One was a switch, made up of genes from a virus and a bacterium, while the other was a "reporter" gene, which had no function except to show whether the switch was on or off.

Earlier research has shown that the switch can be turned off by the antibiotic tetracycline. When the rats were fed a diet containing the drug, the reporter gene only switched off, otherwise, it remained on. Reporting in *Gene Therapy*, the team envisages the day when diseases are treated by genes whose precise performance can be controlled by antibiotics in the diet.

## KENYA - MOMBASA

Kenya's beautiful coastline - Mombasa - is an ideal year-round beach destination.  
Hotel prices start from £399 14 nights (HB)  
A range of excursions are available from Mombasa.  
"Zanzibar Spice Excursion" 2 nights (HB) from £275  
Mini safaris (FB) from £89  
For a brochure packed with exciting holiday ideas - please call 0181 423 3000

Want to know

how good they are?

Just ask

your kids.

## 3Com U.S. Robotics

The 3Com U.S. Robotics 56K Voice Modem.  
Spend less time staring at the dreaded egg timer icon with an operating speed of up to 56Kbps at the new V.90 standard. It will also support lower speeds at the highest quality.

Operates at speeds of up to 56Kbps at new V.90 standard. Provides fax, e-mail, personal voice and speakerphone facilities. Flash memory allows future upgrades. The world's most popular

modem. To find out more, visit our web site at www.3com.com. \*Due to varying line conditions, the download speed you experience may be lower.

3Com More connected.

Only £105

FREEPHONE 0800 22 52 52



# No Furbies. Will a mini Lamborghini do instead?

Wednesday: I have spent the past week on a mission impossible, trying to track down this year's hot toy — a Furby. It is a furry owl with bug eyes and technology so advanced that it can learn English — and has been so well-hyped that demand has swamped supply. The malls are swept with Furby fever. Last Thursday, in O'Fallon, Illinois, police arrested two women after they started biting each other in their efforts to secure the last one. Similar attacks were reported in Massachusetts and California, and EBay, the online auctioneer, has been flogging them for up to \$125 each, compared with the recommended price of \$30.

Thursday: Not prepared to resort to biting, I am nevertheless anxious to please a god-child in London who, though only five, is sufficiently street-wise to understand the added value of this year's essential present. So I ring round the various toy stores to reserve one.

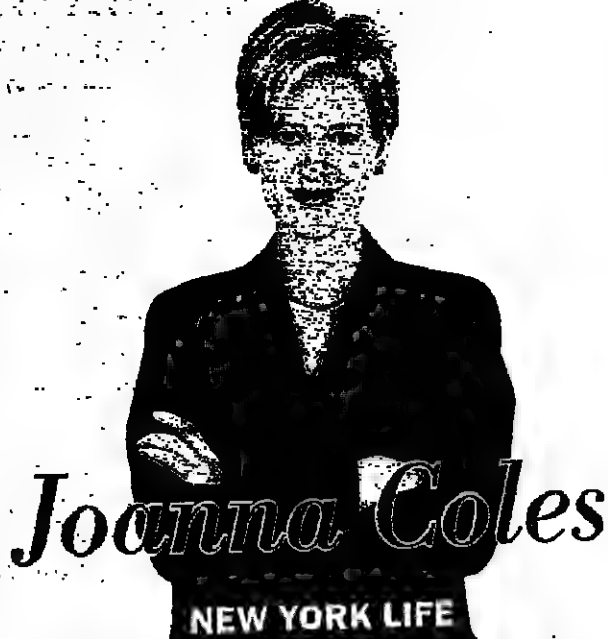
First I call FAO Schwarz, "the biggest toy store in the world", where I'm told, "You

need to call the store every day at 9am. Furbies are usually sold out within 90 minutes. Sales are restricted to one Furby per customer. Thank you for calling."

Next I ring A Bear's Place on Lexington Avenue. "Furgedaboutit," says the receptionist. "You're only going to get aggravation. Just enjoy your day." I get the same advice from another half-dozen stores, all of which refuse to accept advance orders.

Friday: I make my 9am call to FAO Schwarz, only to find that it has no stock, so I try to buy a Furby online. Everyone, including EToys.com, the biggest online toyshop in the world, and shopnow.com, advertising Furbies for \$99 a piece in the hallowed pages of the latest *New Yorker*, have run out of the little blighters.

Saturday: I am now so intrigued by this little toy that has sparked such mania that I have arranged to see Michelle Prince, the media relations manager for FAO Schwarz, who promises to help to unravel the Furby's



Joanna Coles  
NEW YORK LIFE

hold on America's savvy consumers. It is the day after Black Friday, the busiest shopping day of the year, so called because merchants perennially hope it will pull them out of the red. Some 75,000 people wandered through the shop yesterday, and today's queue,

marshalled by security guards dressed as toy soldiers in white trousers, red jackets and black top hats, is already 200 yards long, trammelled obediently between velvet ropes down 8th Street.

There's always one toy that captures the heart of Ameri-

ca," says Michelle brightly. "Nobody can get enough of Furby! When we started selling them in October we sold 4,000 in six hours."

"But why Furby?"

"It's cutting-edge technology," she says.

"But lots of toys are interactive these days, why the hysteria about this one?"

"It's affordable. It speaks, it sings, it interacts with other Furbies, it learns English, it does everything," she says happily. "It's just incredible. It's an interactive animatronic pet!"

We are sitting at the leather Monopoly table in the exclusive Best of FAO Schwarz Room, a treasure trove of the store's most expensive toys.

"In here dreams come true," says Michelle earnestly, pointing out that not only are the teddy bears made by Steiff, they are *jointed*.

Then there's the original R2D2 robot from the *Star Wars* set (\$7,000); a doll called Gene with a magnificent net cloak laced with real diamonds, emeralds and rubies (\$25,000); and, behind me, a mini Range Rover, "the ulti-

mate child-sized 4x4", price tag \$18,750. "I know someone, a celebrity, who bought two of them a few weeks ago," says Michelle.

"Oh, who?" I beg.

"I can't share that with you," she smiles discreetly. At that moment Sigourney Weaver walks in. "She's collecting something for her daughter," mouths Michelle.

"What did she buy?" I ask, after the actress disappears.

"I don't know. We have a lot of celebrity consumers and we like to preserve their privacy."

Though the Range Rover is the ultimate miniature 4x4, it is not the ultimate child's car. Nor is it even the most expensive in the store. That accolade goes to the white Lamborghini, maximum speed 17mph. Cost? \$40,000.

"With some people the sky's the limit," says Julia Minto, a personal shopping adviser who has sold several juvenile Lamborghinis and was shepherding a "celebrity client" around the store at 7am, two hours before the public was allowed in. "For Christmas and birthdays, parents like to indulge."

"I love this castle bedset," interrupts Michelle, stroking a series of 6ft creamy rampparts that form a bedroom set. "It costs \$40,000 and your child feels as if it's living in a real castle!"

FAO Schwarz embraced this luxury market earlier this year when it published its first Ultimate Toy Catalogue, mailed out in a smart red case to 200,000 of its top customers. In addition to the store's most expensive toys, the catalogue also includes "The Six Ultimate Experiences".

Ultimate Experience No 1, "Travel to the Birthplace of the Teddy Bear", costs \$10,000. The store flies you to the Steiff factory in Germany, where you will "dine with a senior Steiff executive" and be presented with a special-edition Steiff bear.

Other ultimate experiences include designing your own Barbie, complete with choice of hair and eye colour (\$20,000); designing your own teddy bear at the Gund factory. In New Jersey (\$10,000) or flying to the Paris Opera, where you will be presented with a Ken and Barbie

Phantom of the Opera set (\$9,500).

The final Ultimate Experience is what "gift fantasies are made of. Your child and 14 favourite friends will have the time of their lives when they spend the night at FAO Schwarz surrounded by the most magical collection of toys anywhere." Included in the price is a novelty sleeping bag for each child and a \$100 gift certificate. Yours for \$17,500.

As I head out through Personal Shopping I finally spot a Furby sitting on the desk.

"Hello!" it chirrups, responding to my movement.

"Hello, Furby," I reply, whereupon it starts moving its ears. I sit down and start writing and it responds again, this time to the motion of my pen.

"La la la la," it sings, rolling its eyes and breaking into an incomprehensible chatter. I consider snatching it and slipping it surreptitiously into my bag, but then I recall that my getaway might be jeopardised by the fact that a Furby never shuts up. My godchild might have to make do with a different present this year.

## Morals are bound to lose out to market forces

The problem in discussing the relationship between market values and social values is not in establishing that there is a difference between the two; it is in discussing the content and character of social values. Market fundamentalists try to disregard social values by arguing that whatever those values are they find expression in market behaviour.

For instance, if people want to take care of others or protect the environment they can express their sentiments by spending money on these ends and their altruism becomes as much part of the GNP as their conspicuous consumption. To show that this argument is false, I do not need to resort to abstract reasoning, of which we have had too much: I can draw on my own experience.

As an anonymous participant in financial markets, I never had to weigh the social consequences of my actions. I was aware that in some circumstances the consequences might be harmful but I felt justified in ignoring them because I was playing by the rules. The game was very competitive and if I imposed additional constraints on myself I would end up as a loser. Moreover, I realized that my moral scruples would make no difference to the real world, given the conditions of effective or near-perfect competition in financial markets: if I abstained someone would take my place. In deciding which stocks or currencies to buy or sell, I was guided by one consideration: to maximise profits by weighing risks against rewards.

My decisions related to events that had social consequences: When I bought shares in Lockheed and Northrop after the managements were indicted for bribery I helped to sustain the price of the stock. When I sold sterling short in 1992, the Bank of England was on the other side of my transactions and I was taking money out of the pockets of British taxpayers. But if I had tried to take the social consequences into account, it would have thrown off my risk/reward calculations and my chances of being successful would have been reduced.

Fortunately I did not need to bother about the social consequences because they would have occurred anyway: financial markets have such a large number of participants so that no single participant can have an appreciable effect on the outcome. Bringing my social conscience into the decision-making process would not make any difference. Britain would have defaulted anyway. If I were not single-minded in the pursuit of profit, it would affect only my own results. I recognised that this argu-

### CAPITALISM IN CRISIS

In the final extract from his book, *The Crisis of Global Capitalism*, the financier looks at the market and social values — and why financial players recognise no moral imperative

#### PART THREE

ment was valid only for the financial markets. If I had to deal with people, I could not have avoided moral choices and I could not have been so successful in making money. I blessed the luck that led me to the financial markets and allowed me not to dirty my hands. Anonymous market participants are largely exempt from moral choices as long as they play by the rules. In this sense, financial markets are not immoral: they are amoral. This characteristic makes it more important that the rules that govern markets should be properly formulated. The anonymous market participant can ignore moral, political, and social considerations, but if we look at financial markets from the standpoint of society we cannot leave such considerations out of account. As we have seen, financial markets can act as a wrecking ball knocking over economies.

Although we are justified in playing by the rules, we ought also to be concerned with the rules by which we play. Rules are made by the authorities, but in a democratic society the authorities are chosen by the players. Collective action can also be brought to bear more directly. For instance, the boycott of South African investments turned out to be successful in promoting a change of regime. But this case was an exception, because it involved collective action. Normally social values do not find expression in the market behaviour of individual participants and need to find some other form of expression.

THE UNITED NATIONS There have been many studies and proposals for reforming the UN but none has come

to pass. The only way changes could come about is through the pressure of public opinion. We need a worldwide alliance of democratic countries that co-operates in promoting the principles of open society.

They could establish standards for the relationship between state and society that would cover such areas as freedom of information, freedom of association, due process, transparency in state procurement, and the like. Members of the alliance would pledge themselves to abide by those standards.

The alliance would admit candidate members who do not meet those standards at present but subscribe to them as a goal. It is important to understand what the UN can and cannot do. It is flawed, like every human construct, but it has great potential. Its major components are the Security Council, the General Assembly, the Secretariat, and a number of specialized agencies such as the UN Development Program (UNDP), the UN Industrial Development Organization (UNIDO), and the UN Educational, Scientific, and Cultural Organization (UNESCO) — only a few function effectively. Appointments are made on the basis of national patronage and not on merit. It is difficult to fire officials and more difficult to wind up organisations when they no longer have a mission.

Bureaucracies are always more interested in self-preservation than in carrying out their mission. When a bureaucracy is responsible to the entire membership of the UN it is beyond control. It must be recognised that an association of states, each guided by its own interests, is ill-suited to carry out any executive functions in service of the common good. Executive functions

ought to be entrusted to appointed officials who are held responsible for their actions.

The Security Council is a structure and it could be effective in imposing peace if the permanent members agreed among themselves. The end of the Cold War provided an opportunity for the Security Council to function as it was designed but, in the case of Bosnia, it was the three Western members, the US, Britain and France, who could not agree among themselves. The creation of an open society coalition ought to prevent a recurrence of that sorry spectacle.

An assembly of sovereign states may be ill-suited to carry out executive functions but it is eminently qualified to serve as an international legislature. The laws would be valid only in the countries that ratify them, but members of the open society coalition would pledge themselves to ratify the laws automatically, provided they have been ratified voluntarily by a qualified majority. What would have to be carefully defined. There could be a triple test, namely two thirds of the countries, two thirds of the population, and two thirds of the UN budget.

Countries that do not abide by their commitment to accept the decision of a majority would be excluded from the coalition. In that way, a body of international law could be developed without infringing on the principle of national sovereignty. The General Assembly could decide what laws are needed and how to enforce them. What makes the idea of an open society coalition realistic is that democratic governments are responsive to the demands of their citizens. But first people must subscribe to the idea of open society.

● *Extracted from The Crisis of Global Capitalism by George Soros, published by Little, Brown (RRP £17.99). Readers of The Times can buy it for £14.99 by calling The Times bookshop on 0900 134 459.*

● *Limited tickets available at £7.50/£5 (concessions) for the video-link of George Soros debate in an adjacent hall at 7pm next Monday at the Institute of Education, 20 Bedford Way, London WC1. Tel: 0171-467 1613.*

We need an alliance of nations to promote an open society



George Soros: "Financial markets have such a large number of participants no single participant can have an appreciable effect on the outcome"

AT 11P, CALLING 02 IS AS EASY AS BEATING ENGLAND!



FLAT RATE CALLS - 24 HOURS A DAY, 7 DAYS A WEEK!

One.Tel offers low cost international calls from your home or business phone, 24 hours a day, seven days a week. There is no pre-payment required and you don't even have to change telephone companies. Call us now to register on 0800 092 8988 between 8am-8pm, Monday to Friday or 10am-4pm at weekends. Once you are registered simply dial 1878 from your touch tone phone in front of the international number you wish to call. It couldn't be easier.

HOW TO DIAL 1878 N' SAVE  
00 - COUNTRY CODE - AREA CODE - LOCAL NUMBER

No Pre payment No switching phone companies No minimum monthly charges

Destination	FLAT RATE (per min)	Destination	FLAT RATE (per min)
Belgium	12p	Italy	17p
Canada	9p	Jamaica	43p
France	12p	Netherlands	12p
Germany	10p	South Africa	35p
Hong Kong	19p	Sweden	10p
Ireland	10p	Switzerland	15p
Israel	20p		

One.Tel  
100% Telephone Co.

PHONE 0800 092 8988

Not applicable to calls made to or from Mobile phones. All rates are correct at time of publication and can change at any time. All prices include VAT.



## **Bronwen Maddox says it took too long to kick the Barry habit**

**Marion  
Barry  
was a  
crook  
and a  
disaster**

## Extra time

### Extra Mile

DESMOND LYNAM succeeded in preventing a tabloid from



● **FOLLOWING** Hillary Clinton, Baroness Jay of Paddington disclose what a swell she is appearing in *Vogue*. A few writers from the magazine have shadowing the Leader of the while she terrifies aristos, Hil-

Education statistics serve ministers,  
rather than parents, pupils and schools



## Lunch launch

HEATHER MILLS (right) is taking up the crusade to dumb up television. The model is teaming up with Esther Rantzen to challenge Jonathan Dimbleby's hold on Sunday lunch-time views. "We have a new series starting in January," she says. "It will be once a month instead of Dimbleby. The theme will be of people who

will be inspirational." Heather is suited to the task having obtained TV super-stardom with one leg.

● THE proprietor of O Dia in Rio can expect a late-night call from Peter Mandelson. Brazil's daily has investigated the Trade Secretary's trip: Its conclusion? "Mandelson has turned into a joke in Great Britain." (But don't worry Peter, it clears you of any naughtiness.)

**JASPER GERARD**

■ **Smoking in public** — a really Wilde thing to do

So how, you ask, do I respond to all this? I do not respond at all. I just sit there suffering in my enforced smokelessness, gazing past my interrogator at the window on to that outside world into which I dream of soon escaping, for a fug. You never saw a man who looked with such a wistful eye upon that little tent of blue which smokers call the sky.

# Flight flap


● **THAT racy poet** Fiona Pitt-Kethley has discovered abstinence. "I'll



● **FOLLOWING** Hillary Clinton: Baroness Jay of Paddington is to disclose what a swell she is by appearing in *Vogue*. A feature writer from the magazine has been shadowing the Leader of the Lords while she terrifies aristos. Hillary

\_\_\_\_\_

## Musical chairs



● THE British Housewives League is the latest to join the fight against the single currency. It was big in the 1950s when it protested that idle men-folk went on too many strikes. "It is now mobilising against creeping Europhile tendencies in the Women's Institute," I am told. They will join protesters from business and unions (even one from the Bakers' Union to Lord Hanson's Business for Sterling) at Church House this month. Frank Field, the former minister, is expected to make a high-profile speech following his recent decision to come out as a Eurosceptic.

## Lunch launch

HEATHER MILLS (right) is taking up the crusade to dumb up television. The model is teaming up with Esther Rantzen to challenge Jonathan Dimbleby's hold on Sunday lunch-time viewers. "We have a new series starting in January," she says. "It will be on once a month instead of Dimbleby. The theme will be of people who

have overcome the odds. Perhaps through mounting a campaign or some personal challenge. I hope it

will be inspirational." Heather is suited to the task having obtained TV super-stardom with one leg.

● THE proprietor of O Dia in Rio can expect a late-night call from Peter Mandelson. Brazil's daily has investigated the Trade Secretary's trip: Its conclusion? "Mandelson has turned into a joke in Great Britain." (But don't worry Peter, it clears you of any naughtiness.)

**JASPER GERARD**

**BROWN'S**  
El. wide taxes aff. 1000

[illegible][illegible][illegible]

...the results from the 1990 survey are not

**Bouchard has:**

the solid victory of the 1985 election (Bouchard in the 1985 election);  
he is a personal friend of the  
Bouchard the former Minister of  
and over the embattled  
in the wake of the 1985 election  
the referendum was held  
1985. The PQ won 75 per cent of  
national assembly.  
and one that has been  
popularity as well as  
the PQ's financial position  
the victory  
his surprise  
has

Canada. For the first time, the  
only 50 seats, it is a  
combined with 42 per  
cent only highlights  
the unrepresentative  
and unrepresentative  
speakers' seats, but  
it is understood  
that the election was  
not for sovereign.

# CHOOS

The Times apprais

...in place there...  
...in common...  
...selected the...  
...years and...  
...months can...  
...month after...  
...Honduras...  
...of people...  
...outside. The...  
...to distribute...  
...to building...  
...aid and reach...  
...to take their...  
...Honduras...  
...reported...





## BROWN'S BURNING DECK

EU-wide taxes are not a matter for 'constructive negotiation'

The mills of Brussels grind slow, but fine. Driven by Germany and France, the EU is now at work eliminating the differences between national tax regimes. Gordon Brown's awkward rendition of "the boy stood on the burning deck" alters neither that fact, nor the reality that the British Government is an active participant in this process. The Chancellor's performance on the Today programme yesterday was the least convincing of his ministerial career.

Mr Brown repeated his pledge to veto a compulsory withholding tax on savings. But in Brussels, British officials are emphasising that their realistic aim is to secure an exemption for the Eurobond market. The Government's promise to "negotiate constructively" suggests that it is desperate to avoid using the veto. Once the non-negotiable has become negotiable, and the argument changes from principle to fine print, the history of Brussels negotiations is not encouraging. A compromise may purchase the City a temporary opt-out, in return for a long-term British commitment to an EU-wide regime on this matter of common interest. Thus was VAT imposed on the British fine art market, resulting in the flight of business to Geneva and New York.

Throughout the continent an attack on "unfair" competition is looming: the 11 Euro-countries are terrified that a single currency and exchange rate will make the market more transparent and sharpen price competition. The Chancellor has not explained how Britain's opposition to "tax harmonisation", which he insists is "not the way forward for Europe", is to be reconciled with his support for "fair tax competition". For most of Britain's EU partners there is virtually no difference. When tax policy is used to disguise state subsidies, it can be genuinely market-distorting. But with some narrow and easily identified exceptions, such as the Irish, Dutch and Belgian tax treatment of foreign investors, who currently pay less than domestic competitors, one man's "harmful and discriminatory tax competition" is another's attractively flexible marketplace.

The cardinal principle is that a country's freedom to decide what to tax, and how much, is the bedrock of national sovereignty. Yesterday, Mr Brown struck the right note when he said that "what we want is tax competition, not tax co-operation". Yet he had just given a favourable wind to a plan to scrap 85 tax incentive schemes, including enterprise zones, regional incentives and the regime created to help small and medium businesses in Ulster.

This results from Britain's agreement, a year ago, to set up a working group —

chaired by Dawn Primarolo, the Financial Secretary to the Treasury — to produce an EU Code of Conduct on taxation, was given the sweeping remit of working towards "eliminating tax differences as a factor in investment decisions". At the time, the Government claimed to be happy with this because the code would be voluntary. How many times, in EU negotiations, has that been heard before? Ministers dismiss as "scaremongering" the concerns about the European Commission's avowed aim of harmonising VAT and corporate taxation. Yet all Mr Brown had to say on this score yesterday was that on both, "there is no detailed proposal at the moment".

Neither a single market nor a single currency justifies EU-wide rules either on what is taxed, or how much is levied. In the US, both cities and states not only exercise a high degree of fiscal independence, but actively use fiscal policy to compete for investment. Tax harmonisation, by whatever name, is not only rightly unpopular in Britain; it is also bad economics for the entire EU. So in their own terms, France and Germany are being stupid.

But since bad economics is what both France and the new German Government are bent on — most governments expect a European tax package to be in place by next June — there is only one British policy that makes sense. That is to accept their persistence in folly, on the absolute condition that Britain will have no part in it. If the 11 euro-countries want to go ahead, Britain should allow them to do so — provided it has a cast-iron, permanent, opt-out, and without giving one inch to the demand, by Oskar Lafontaine with French support, that tax in future be subject to qualified majority votes.

Such a policy would restore certainty and clarity to the whole debate. Nothing less should reassure the British public. A very high hurdle would then be set to British membership of EMU; for it would be clear that loss of fiscal sovereignty is part of the price. That is what prompts the Government to attempt the fudge of "constructive negotiation". This is also what gives the British debate on EMU a welcome clarity. Yesterday Mr Brown abruptly reversed his track on duty-free sales on the curious ground that the German and French positions had changed. This was a patent diversionary tactic to grab headlines.

Britain must uncompromisingly insist that it is competition which is fair, to those whose jobs depend on dynamic economies. There is no other interpretation of the national interest. If Britain cannot win the argument, it can refuse to join the lemmings heading over the cliff.

## QUEBEC AND CANADA

Bouchard has no mandate for independence

The solid victory by the secessionist Parti Québécois in the Province's general election is a personal triumph for Lucien Bouchard, the former federal minister who took over the embattled party's leadership in the wake of the bitter fall-out from the failed referendum on independence in 1995. The PQ won 75 of the 125 seats in the provincial assembly, an impressive majority and one that testifies to his personal popularity as well as his belated efforts to set Quebec's financial house in order.

But the victory is by no means the landslide his supporters had hoped, and leaves a bitter taste in the mouths of those ready to proclaim the immediate holding of a new referendum on separation from Canada. For though the Quebec Liberal Party, campaigning against independence, won only 48 seats, it actually won a higher proportion of the vote — 44 per cent compared with 43 per cent for the PQ. This not only highlights the division between urban-based anglophones, who overwhelmingly rejected independence, and the French-speakers scattered in rural constituencies; but it undermines the PQ's claim that the election was an endorsement of its push for sovereignty.

Mr Bouchard now faces a dilemma. He cannot afford another failed referendum. He would be better advised to wait until he is assured of victory before going to the polls. The risk here, however, is not just the disappointment of the party faithful. Time is not necessarily on the separatists' side. The federal Government has made enormous efforts to woo Quebec, even after the failure of the Meech Lake accords that would have given the province special status. Ottawa is sensitive to the demands of French-speakers to be considered a "distinct society". Much has been done to ensure equality for French within official Canada; and the federal government, dropping the policy of threats and bluster, has gone out of its way to assure Quebec that all Canada would be the poorer if this vibrant province were to secede.

The message carries weight. Little by little Quebecers may be persuaded that the fight for "sovereignty" is hardly worth the bitterness it occasions. The polls show that support for independence is falling. Mr Bouchard is an astute and popular leader. He should use his victory to ensure that Quebec's pragmatic relationship with Ottawa yields benefits for all Canada.

## CHOOSE A CHARITY

The Times appeals for three causes on three continents

Today, The Times launches its Christmas appeal for three specific causes which, we hope, will each in its own way encourage our readers' traditional generosity. One will provide immediate assistance for those Hondurans who have suffered from nature's fury in Hurricane Mitch. Another will help to protect African cheetahs from disappearing from the wild. The third will help a British team to identify the causes of Alzheimer's disease.

On the surface these projects appear to have little in common. Yet, taken together, they reflect the immense benefits charitable donations can deliver in the next few weeks, years and decades.

A month after Hurricane Mitch ripped through Honduras, hundreds of thousands of people are still stranded in the sands of people are still stranded in the countryside. The loss of 98 bridges makes it difficult to distribute food to 600,000 people. Re-building one of those bridges will help aid reach those in need, and allow farmers to take their produce to market.

While Honduras's plight has been widely reported, the threat facing cheetahs of the Serengeti National Park has not. Few would think that this majestic animal could soon be an endangered

species. Unable to compete against a thriving population of hyenas and lions their survival is threatened. Only one out of every 20 cubs born survives beyond 18 months. A greater understanding of how cheetahs live will help classify the best areas and means of conservation.

The plight of the Hondurans is known and talked about, the threat facing Africa's cheetahs less so. Yet, for years, Alzheimer's disease has been a taboo subject. The revelations that Iris Murdoch and Ronald Reagan have fallen victim to the disease awakened the public's awareness, but did little to raise financial support. Without identifying who is most at risk from developing Alzheimer's and what they might do to prevent dementia, on current trends one million people might have the disease by 2021. Hence we ask support for the Alzheimer's Research Trust.

Charities often describe themselves as "deserving" causes. To be deserving, a charity must show that it is helping to alleviate or prevent suffering in practical ways, and perform a benevolent act which otherwise might go undone. These are three charities that meet that standard. Please choose one and give what you can.

## Parlous state of London schools

From Mr E. M. Guyver

Sir, It is refreshingly honest of Mary Ann Sieghart ("The shame of London's schools", November 27) to admit that low standards of state secondary schooling are mainly a city phenomenon, worst in London. Every state school in the country has had to endure a decade or more of sledge-hammer reforms aimed at the co-ordinated difficulties of the capital, but which are an overkill for peanut-sized problems elsewhere.

The "educational apartheid" in London surely derives more from policy failures than from bad teaching. Secondary schools there have been the principal casualty in the ideological war between left-wing metropolitan councils and right-wing national governments for 22 of the past 28 years.

London demonstrates the urgent need to remove education from the incompetent and divisive grasp of politicians. We would be better served by a royal commission of non-political experts to determine a uniform policy framework for the state system — and then stick to it.

Yours faithfully,  
TED GUYVER,  
41 Meon Road,  
Mickleton, Chipping Campden,  
Gloucestershire GL55 6TB.  
November 28.

From Mr Allen Heaton Page

Sir, I read Mary Ann Sieghart's commentary on the state of London's schools with a depressing sense of déjà vu.

In the early Seventies I was the last headmaster of a South London grammar school, and for some years thereafter the head of the large comprehensive which succeeded it. For the last 15 years of my career before my retirement 11 years ago I was head of an outer-London comprehensive. Since then I have been active in the classroom on a fairly regular, if part-time basis.

The problems for more than 30 years have been "behaviour, behaviour, behaviour" — not the question of educating students of varying abilities in the same establishment. Neither is mixed-ability teaching the answer, save when it is in the hands of a very few gifted teachers. Sensible setting by ability is perfectly feasible and far less stressful for both children and staff.

However, if heads and governors do not insist on a without-exception policy of creating a safe environment conducive to a continuous learning process, then schools will fail the overwhelming proportion of their pupils. Unruly behaviour should be seen to incur immediate and appropriate sanctions, or violence or the threat of it to staff should be followed by exclusion — temporary or permanent. Only in these circumstances will the vast majority prosper, be they of average, below average, or above average ability.

The problem of what to do with those excluded is an entirely different question and the answer is not, as the Secretary of State is attempting to insist upon, the containment within the schools of those whose disruptive influence is out of all proportion to their numbers (letters, November 18 and 23). The quality of the environment is of paramount importance.

Yours faithfully,  
ALLEN HEATON PAGE,  
52 Acadia Close,  
Stammore, Middlesex HA7 3JR.  
November 29.

From Professor Emeritus Anthony Ralston

Sir, Mary Ann Sieghart has some cogent things to say about London's schools but she throws them all away with a hopelessly elitist proposal at the end. To propose the establishment of some "beacon" secondary schools for the capital's "brightest children" might well solve an education problem for many parents but it would do nothing for the vast majority of children not among the "brightest".

These children: no less than the bright ones, deserve a quality education in London and elsewhere in Britain. Otherwise these other children will remain, in Ms Sieghart's words, "condemned to low standards, low expectations, poor discipline and poor results". Is this what she wants?

Sincerely,  
ANTHONY RALSTON,  
Flat 4, Albert Court,  
58 Prince Consort Road, SW7 2BA.  
November 29.

## Hand fisted

From Mr Bernard Graham

Sir, I note with some interest that Baroness Thatcher, Ronald Reagan and David Gower all suffer from Dupuytren's contracture — the condition which bends the little finger into a claw (Daily, November 19). I have the same affliction and have been told that the first person to have had a surgical procedure to cure the condition was a French winemaker, Baron Guillaume Dupuytren (1777-1835).

The Baron was said to have contracted the complaint as a result of hammering home wine-barrel bungs with the palm of his hand.

Yours sincerely,  
B. GRAHAM,  
47 Bailey Crescent, Fleetbridge,  
Poole, Dorset BH15 3EZ.

## LETTERS TO THE EDITOR

1 Pennington Street, London E1 9KN Telephone 0171-782 5000

## Return of Elgin Marbles urged

From Mr William G. Stewart

Sir, Whether or not it is true, as stated in today's leading article, "Art for their own sake", that "Modern Greek ambition to possess the Elgin Marbles does not go back much beyond Ms Mercurio's time", the political and diplomatic battle in this country goes back over almost two centuries.

Hansard, on a debate on June 7, 1816, records an amendment put down in the House of Commons by Hugh Hammersley, which included the words:

Great Britain holds these Marbles only in trust until they are demanded by the present, or any future, possessors of the City of Athens; and upon such demand, engages, without question or negotiation, to restore them, as far as can be effected, to the place from whence they were taken, and that they shall be in the meantime carefully preserved in the British Museum.

Thirty members of Parliament voted against the purchase. And so it has gone on ever since. A House of Commons Library Research Note on the Marbles, compiled in 1983, has an eight-page section headed *Outline of the Argument since 1816*.

In 1941, following a question in the House of Commons to the Prime Minister, the Foreign Office recommended that "It should be decided in principle to return to Greece the Elgin Marbles".

In 1961 Harold Macmillan answered a question on the Marbles, saying: "... this is a complicated question ... I will not dismiss it from my mind."

In the same year the Prime Minister, the Lord Chancellor and the Speaker of the House of Commons all received telegrams from the then Mayor of Athens requesting the return.

As for the British people, a MORI poll taken last September showed that they would, by a majority of two to one, support returning the Marbles. A poll taken in July showed that a majority of MPs were in favour of return: Labour MPs by 57 per cent to 33 per cent. A declaration in the

European Parliament in 1996 advocating return attracted the signatures of two thirds of the Labour MEPs.

The Labour Government has got itself into a mess over the Marbles. In 1994, Mark Fisher, the Shadow Arts Minister, speaking from the front bench in a Commons debate, committed Labour to working out "the orderly return of the Elgin Marbles". What has happened to this commitment?

Yours faithfully,  
W. G. STEWART,  
6 Pimley Common, SW15 1HL.  
November 26.

From Mr Martin R. Edwards

Sir, John Carr writes disparagingly, and in over-generalised terms, of the Greeks' interest in their classical past (report, "Marbles lose out to God and Mammon in great Greek debate", November 25).

First he cites an Athenian taxi-driver who has not visited the Acropolis for fifty years, then asserts that "most Greeks visit the Acropolis only on school trips". Finally he calls in support the aversion that Greek students have for Homer and Xenophon.

It might equally be argued that most English students have a dread of Shakespeare and Chaucer and have only visited Shakespeare's birthplace on school trips.

The Greeks are far more cultured than Mr Carr gives them credit for and their "affinity with their Byzantine heritage" stems from their loyalty to the Church and to Christian values — something singularly lacking here. If the modern-day Greek is more concerned with his "new car" or his "summer home", he is in no way different to his English counterpart.

Yours sincerely,  
MARTIN R. EDWARDS,  
6 Doveridge Gardens,  
Palmer's Green, N13 5BL.  
edwardsm@logica.com  
November 25.

## Browning the land

From Dr Richard Fordham

Sir, You say in today's leading article, "Browning the land": that "affordable" housing encourages new households to form" (letters, November 30). This is misleading. Of all households in housing need, only about a quarter are "concealed households", the (normally young) adults to whom you refer. Most are existing households.

My firm has now surveyed about 25 per cent of the population of Britain, and in our recent book, *Housing Need and the Need for Housing* (Ashgate, 1998), we estimated that about 1.8 million households in Britain are in housing need. About 1.1 million of these would require new affordable housing. Building this would reduce the need for new market housing, because some of the vacant housing would be reusable as market housing for those who could afford it.

Unfortunately, government policy discourages, on brownfield sites, the land subsidy required for affordable housing, thereby ensuring that new affordable housing is mainly greenfield. In its forthcoming advice, the Government should therefore make a

distinction between the need for market-priced housing and affordable housing, and remove the viability test for the latter on brownfield sites.

Yours sincerely,  
RICHARD FORDHAM  
(Managing Director),  
Fordham Research Ltd,  
99 Talbot Road, W11 2AT.  
November 23.

From Mr S. J. Osmond

Sir, Governmental obsession, both Tory and Labour, with housing forecasts smacks of the worst type of Soviet state planning. Government does not forecast how many oil wells should be drilled or how many trees should be planted. Why employ hundreds of civil servants to make forecasts better left to developers?

The Government's role should be to prescribe strict environmental standards (including protection of the countryside) — and then leave it to market forces to decide how many houses to build, and of what type.

Yours faithfully,  
SAM OSMOND,  
Sylvans, Tilford Road,  
Farnham, Surrey GU9 8JA.  
s.j.osmond@btinternet.com  
November 23.

## Masons and judges

From Mr Alfred Finer

Sir, I take issue with Michael Shortall about judges being asked to indicate whether they are Freemasons (letter, November 24; see also letters, November 2, 6, 18 and 23). Magistrates, too, are being asked the same question, and if I were still on the active list I would refuse to answer, although I am not, and never have been, a Freemason. But then, as a justice of the peace, I was not salaried.

Judges are paid by the State and many may think it expedient not to make waves. This does not mean that by answering the Lord Chancellor's letter they do not believe that it is an invasion of their privacy.

As a member of mental health review tribunals I have come across a significant number of people who would equate Freemasons with Jews. Will the judiciary be asked to record their religion, or whether they are atheist or agnostic?

Yours faithfully,  
ALFRED FINER,  
15 Regency House, N3 3JZ.  
November 24.

From Mr Bryan Imber

Sir, Mr Michael Shortall perpetuates the myth that Freemasons swear to support brother Masons to the detriment of others.

The Masonic oath pledges brotherhood to members of the fraternity, and adherence to the principles of morality and virtue. Brotherly love, relief, and truth, are basic precepts of the fraternity.

A Freemason's vows are totally compatible with his civil, moral, and religious duties and this is made clear before he enters into any obligation to the fraternity.

Throughout the ceremonies in which he participates he is reminded of his duties and responsibilities not only to his brethren but to all men.

On this basis I think there may well be a pretty good case for judges to be obliged to declare if they are not masons.

Yours truly,  
B. IMBER,  
150 Roding Lane South,  
Redbridge, Essex IG4 5PF.  
bryanimber@aol.com  
November 24.

## 'Titanic' postcard

From Mr Gavin Littaur

Sir, Richard Ashton of Sotheby's is correct in stating that the *Titanic* postcard from Edith Brown, due to be sold at auction, is the only one known to have survived among those which were still on board when the ship struck the iceberg (report and photograph, November 21).

I am fortunate to have the only recorded letter (with accompanying envelope) which, likewise, survived the sinking. Headed "On board R.M.S. *Titanic*", with the White Star house flag embossed in red, it was written on the fateful Sunday by another second-class passenger, Esther Hart, whose seven-year-old daughter penned a charming postscript: "Heaps of love and kisses to all

Yours faithfully,  
GAVIN LITTAUR,  
54a The Drive, NW11 9TL.  
November 22.

Letters for publication may be faxed to 0171-782 5046. e-mail to: letters@the-times.co.uk

## Imperial smoke wins on balance

From Mr Vivian Linacre

Sir, Your food and drink page (Weekend) of November 28 featured a critical survey of the smoked mackerel sold by ten different retailers. Nine of the brands were priced at so much per so many hundreds of grams, with the equivalent price per kilo, and were rated in quality by stars, from none to three; the other one was priced very simply per pound and rated the best with four stars.

This may not prove that everything marked in imperial necessarily tastes better than its metric competitors, but it does indicate yet again that those producing goods of the highest quality tend to care enough for their customers still to use pounds and ounces (as does Delia Smith in her current TV series), which anybody can easily visualise, rather than the huge abstract numbers of the metric system. So the otherwise admirable Frances Bissell's metricification continues to perplex us.

This is an issue, not just about cookery but of fundamental educational importance. Anthropologists have shown that, in evolution of human-kind as in development of the individual infant, a sense of number precedes that of language. At the age of two or three a child has acquired an understanding of measurement, in time and music as in quantity, can count modestly, and will usefully play at cookery (among other games), learning with one hand or two the feel of an ounce or a pound of flour or sugar; but 50g or 150g means nothing.

None of this is denied by the authorities, whose response is: "Don't try to teach your child anything; so long as you are being Europeanised and having fun, education is irrelevant." Metrication is all part of the catastrophic dumbing-down process.

Yours imperially,  
VIVIAN LINACRE  
(Director),  
British Weights and Measures Association,  
45 Montgomery Street,  
Edinburgh EH7 5JX.  
November 29.

## Publishing poetry

From Dr Nigel Smith and Dr Nicholas Shrimpton

Sir, The Oxford English Faculty Board strongly deplores the decision of Oxford University Press to abolish its contemporary poetry list (letters, November 25 and 27). The list is of great distinction, and has been carefully nurtured during the course of the century. Its running costs are marginal, and the return of expenditure in terms of enormous educational and cultural benefits is beyond doubt.

The English faculty has several distinguished poets among its teaching members, and it seeks to promote the writing, reading and study of poetry in many of its activities.

We therefore wish to dissociate ourselves from the decision, of which we had no prior warning, and we call upon Oxford University Press to reinstate the poetry list at the earliest opportunity.

Yours faithfully,  
NIGEL SMITH  
(Chair, Faculty Board of English Language and Literature, University of Oxford),  
NICHOLAS SHRIMPTON  
(Chair, Faculty of English Language and Literature, University of Oxford),  
St Cross Building,  
Manor Road, Oxford OX1 3UQ.  
December 1.

## Cost of Christmas

From Mr Alexander T. Murray

Sir, I note with interest that, this year, the average cost of a Christmas gift will be £42 (report, "Britons buy the dearest Christmas presents", November 30).

The mid-Sixties was when it first fell to me to spend my pocket money (6d per week) on family presents rather than rely on parental munificence. The final tally was three bath cubs (3d each), pipe cleaners (9d), a pencil (4d) and a pencil sharpener (7d). The total of 2s 5d now translates into roughly 12p.

Wrapping paper was, of course, in the decorations box and re-used from previous years.

Yours faithfully,  
ALEXANDER T. MURRAY,  
Nut Tree Hall,  
Plaxtol, Kent TN15 0RG.  
November 30.

## Cruelty to moles?

From Mrs Denise Dew-Hughes

Sir, I have spent a depressing weekend watching a mole slowly destroy my lawn.

Gardening friends advise me that the most humane way to repel moles is to detach the battery-operated cell from a musical greeting card and drop it into the excavations.

I don't have a singing greeting card, but a recently issued report from a major PR company delivers a short spoken address from the chairman on opening. Would this be an effective alternative?

Yours faithfully,  
DENISE DEW-HUGHES,  
104 Woodstock Road,  
Oxford OX2 7NE.  
November 24.











**INSIDE SECTION**  
**2**  
**TODAY**

**BUSINESS EDITION**

**FTSE**

**FTSE 100**

6,200
6,300
6,400
6,500
6,600
6,700
6,800
6,900
7,000
7,100
7,200
7,300
7,400
7,500
7,600
7,700
7,800
7,900
8,000
8,100
8,200
8,300
8,400
8,500
8,600
8,700
8,800
8,900
9,000
9,100
9,200
9,300
9,400
9,500
9,600
9,700
9,800
9,900
10,000
10,100
10,200
10,300
10,400
10,500
10,600
10,700
10,800
10,900
11,000
11,100
11,200
11,300
11,400
11,500
11,600
11,700
11,800
11,900
12,000
12,100
12,200
12,300
12,400
12,500
12,600
12,700
12,800
12,900
13,000
13,100
13,200
13,300
13,400
13,500
13,600
13,700
13,800
13,900
14,000
14,100
14,200
14,300
14,400
14,500
14,600
14,700
14,800
14,900
15,000
15,100
15,200
15,300
15,400
15,500
15,600
15,700
15,800
15,900
16,000
16,100
16,200
16,300
16,400
16,500
16,600
16,700
16,800
16,900
17,000
17,100
17,200
17,300
17,400
17,500
17,600
17,700
17,800
17,900
18,000
18,100
18,200
18,300
18,400
18,500
18,600
18,700
18,800
18,900
19,000
19,100
19,200
19,300
19,400
19,500
19,600
19,700
19,800
19,900
20,000
20,100
20,200
20,300
20,400
20,500
20,600
20,700
20,800
20,900
21,000
21,100
21,200
21,300
21,400
21,500
21,600
21,700
21,800
21,900
22,000
22,100
22,200
22,300
22,400
22,500
22,600
22,700
22,800
22,900
23,000
23,100
23,200
23,300
23,400
23,500
23,600
23,700
23,800
23,900
24,000
24,100
24,200
24,300
24,400
24,500
24,600
24,700
24,800
24,900
25,000
25,100
25,200
25,300
25,400
25,500
25,600
25,700
25,800
25,900
26,000
26,100
26,200
26,300
26,400
26,500
26,600
26,700
26,800
26,900
27,000
27,100
27,200
27,300
27,400
27,500
27,600
27,700
27,800
27,900
28,000
28,100
28,200
28,300
28,400
28,500
28,600
28,700
28,800
28,900
29,000
29,100
29,200
29,300
29,400
29,500
29,600
29,700
29,800
29,900
30,000
30,100
30,200
30,300
30,400
30,500
30,600
30,700
30,800
30,900
31,000
31,100
31,200
31,300</



# THE TIMES

2

INSIDE  
SECTION

2

TODAY



## ECONOMY

Janet Bush says  
Britain is losing  
European tax battle

PAGE 29



## HOMES

Great lofts, cool  
clubs: Liverpool  
is booming

PAGES 37, 39



## SPORT

Beauchamp  
still to the  
Manor born

PAGES 41-48

## TELEVISION AND RADIO

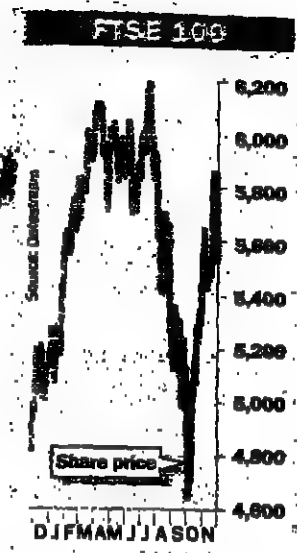
Pages  
46, 47

BUSINESS EDITOR Patience Wheatcroft

WEDNESDAY DECEMBER 2 1998

# FTSE suffers year's biggest fall

BUSINESS  
TODAY



BY ALASDAIR MURRAY  
ECONOMICS  
CORRESPONDENT

LONDON shares slumped more than 200 points in reaction to Monday's vicious bout of profit-taking on Wall Street following last month's return to record New York highs.

The FTSE 100 index of leading shares closed 206.4 points lower at 5,537.5, a drop of 3.6 per cent, the biggest percentage fall this year. Banking stocks came under particular pressure as investors concluded that recent gains on the back of merger speculation had been overdone.

Wall Street initially dropped another 130 points to add to its fall of 216 points on Monday

## Economic gloom keeps alive hopes of cut in rates

but bounced back in afternoon trade to stand at 9,106, a fall of just ten points on the session.

The heavy falls in London came as further gloomy news on the economy kept alive hopes of an interest rate cut as early as next week.

The UK purchasing managers index showed manufacturing output suffering the sharpest monthly fall since the survey began seven years ago.

A new service industries survey, which was also published yesterday, provided firm evidence that the slowdown is now rapidly spreading to this previously buoyant sector.

The UK purchasing manag-

ers November output index fell from 41.7 to 41.2, the lowest reading for seven years. The new orders index also fell again to register just 36.4 in November, indicating further falls in output to come.

The employment index pointed to more job cuts in the sector, with more than 20 per cent of companies expecting job losses against just 6 per cent intending to take on staff.

The only glimmer of good news for manufacturing is that the recent decline in the pound has taken some of the pressure off exports. The export orders index, however, is still pointing to a net decline in

overseas orders. The pound came under renewed pressure yesterday after its three piling fall on Monday against the mark. Sterling hit a low of DM2.7765, more than a piling below its opening.

Purchasing managers reported that inflationary pressures remain negligible.

Peter Thomson, director general of the Chartered Institute of Purchasing Surveyors, said: "What is really depressing is that domestic demand is so weak. If new orders continue in this way, it's going to be a slaughterhouse out there."

Economists said the latest evidence pointed to a further de-

terioration in manufacturing but that this would probably not make much difference to next week's rate debate. Likely to be of more importance to the Monetary Policy Committee is the first CBI/Deloitte & Touche service industries survey. This showed a marked fall in growth and optimism.

Kate Barker, chief economist adviser, said the CBI had recently met the Bank of England to discuss the launch of the survey but cautioned that with little back data, it would be hard to determine the full extent of the decline in growth.

She added, however, that the CBI is continuing to advocate

an immediate half-point cut in rates.

The survey showed that consumer, business and professional services — which constitute around 20 per cent of the total economy — are still registering growth, but are expecting a slowdown during the next three months.

Consumer services have been hardest hit, with the sector now expecting a contraction in growth during the next three months.

Inflationary pressures remain under control, with average selling prices showing a fall during the past three months. However, in a sign that profit margins are beginning to come under pressure, businesses are expecting costs to continue to rise.

STOCK MARKET  
MOVES

FTSE 100	5537.5	(-206.4)
Yield	2.81%	
FTSE All Share	5243.41	(-83.45)
Nikkei	14825.41	(-48.28)
New York		
Dow Jones	9091.58	(-24.97)*
S&P Composite	1164.73	(+1.10)*

US RATE

Federal Funds	4 3/4%	(4 1/2%)
Long bond	102 1/2%	(102 1/2%)
Yield	5.07%	(5.07%)

LONDON MONEY

3-mth interbank	0 7/8%	(0 7/8%)
Life long gilt	117.42	(117.21)

STERLING

New York		
£/\$	1.8540*	(1.8480)
London	1.8527	(1.8506)
DM	2.7732	(2.7908)
FF	5.2992	(5.3608)
Sfr	2.2735	(2.2998)
Yen	201.50	(202.89)
£ index	100.0	(100.5)

US\$/£ DOLLAR

London	1.8508*	(1.8501)
DM	5.3380*	(5.6795)
FF	1.3785*	(1.3890)
Yen	122.17*	(122.56)
£ index	106.6	(107.1)

Tokyo close Yen 122.77

NORTH SEA OIL

Brent 15-day (Feb)	\$10.60	(\$10.70)
--------------------	---------	-----------

GOLD

London close	\$394.10	(\$392.05)
--------------	----------	------------

\* denotes midday trading prices

# Exxon bids \$82bn in record-breaking deal with Mobil

FROM OLIVER AUGUST  
IN NEW YORK

EXXON yesterday stunned Wall Street with the details of its record-breaking \$82 billion (£60.5 billion) offer for Mobil. Shareholders will receive an unusually large 32 per cent premium in the world's biggest merger.

News of the deal leaked out last week, but analysts did not expect Exxon to pay such a substantial premium, especially as both companies admit that Mobil initiated the talks after falling far short of profit projections. BP paid a 20 per cent premium for Amoco in their \$63 billion merger.

One explanation, suggested by Wall Street analysts, for the high premium is that Lucio Noto, the Mobil executive chairman, had to be compensated for relinquishing control over the company. Lee Raymond, the Exxon executive chairman, will hold the top job in the combined company and Mr Noto will be made vice-chairman.

As well as assuming Mobil's debts, Exxon will pay \$99 for each Mobil share in a stock

AN ESTIMATED 10,000 jobs look set to go as Hoechst of Germany and Rhône-Poulenc of France set about creating Avenas, whose \$20 billion (£12 billion) of annual sales will make it the world's largest fine chemicals group. Avenas is seeking to achieve annual savings of \$1.2 billion over the next three years. The company employs some 5,000 people in the UK.

Page 27

swap. The combined company will have a market value of \$250 billion, ahead of Royal Dutch/Shell Group, as the world's biggest energy company. Together the two groups employ 120,000 people. Exxon hopes to achieve cost cuts of up to \$3 billion.

Exxon shareholders will own 70 per cent of the company and Mobil shareholders the rest. If the deal does not close, the guilty party is liable to pay a \$1.5 billion break-up fee.

The deal is expected to be closely scrutinised by US and overseas regulators. Takeover experts have speculated that it

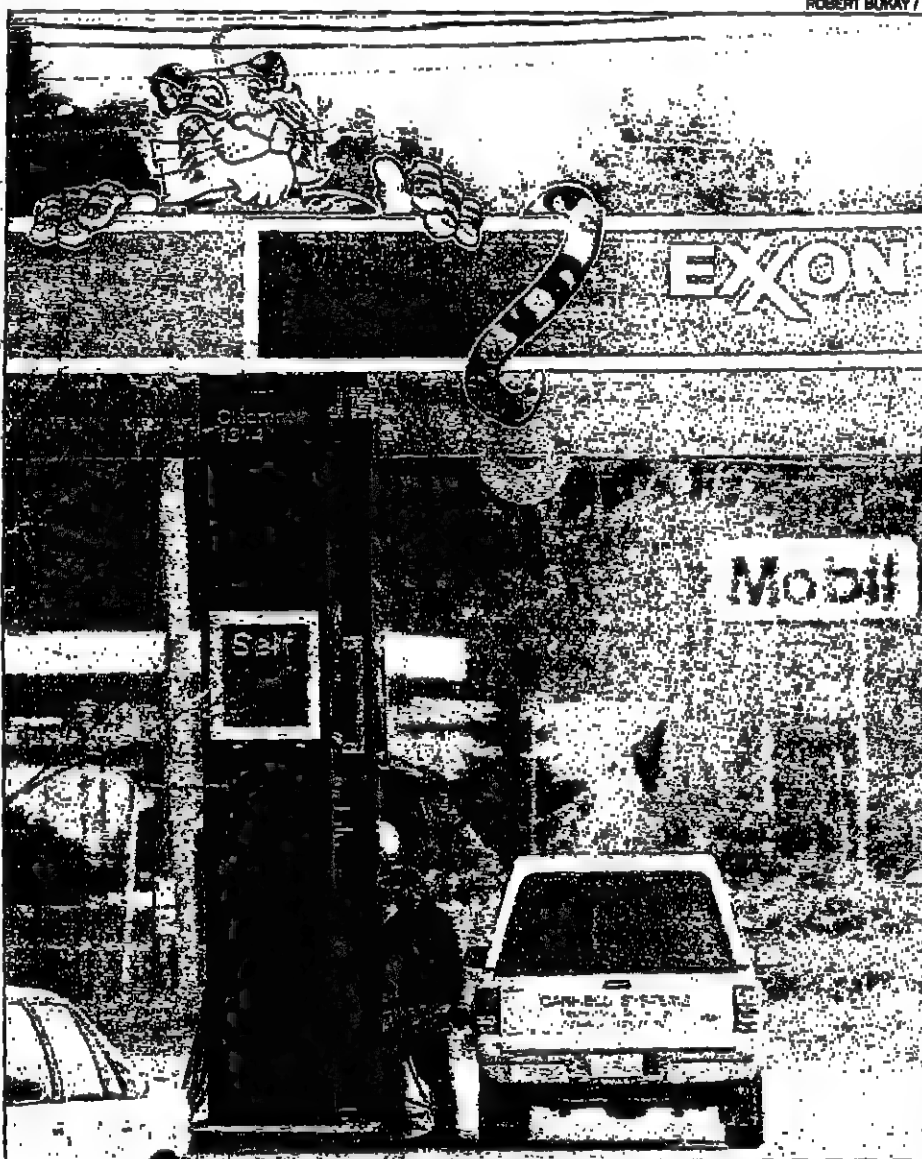
could take at least nine months to close the transaction. The merged group would have 20.743 billion barrels of oil and gas reserves, 1.531 million barrels per day of oil and gas production and 6.66 million barrels of refining capacity.

The deal is the latest combination to hit the oil industry, which has struggled in the face of weak oil prices and high costs. Yesterday oil traded at \$10.40 a barrel.

Wall Street analysts have given mixed reviews to a combined Exxon-Mobil. Some questioned the benefits for Exxon even though it will gain greater access to North Sea oil fields, potential lucrative deals with Saudi Arabia, and a stronger presence in the US refining and marketing arena.

Culture clashes and labour disputes are feared ahead of the proposed 10 per cent labour reduction. Exxon is known as an extremely conservative and rigid company, while Mobil has pursued innovative programmes to cut costs and improve productivity.

Commentary, page 27



Exxon and Mobil are set to move from cross-street rivals to the world's biggest energy group

## Total and Petrofina to merge

FROM ADAM SAGE  
IN PARIS

FALLING oil prices have forced two of Europe's biggest oil companies to merge.

Yesterday Total of France said it would join forces with Belgium's Petrofina, creating the world's fifth largest oil company, with an estimated stock market value of £24 billion. The new group will employ almost 70,000 people.

Total is believed to have thwarted plans by Elf Aquitaine, its French rival, to secure the merger with Petrofina. The new company, to be known as Total Fina, will seek a quotation in bourses in Paris, Brussels, New York and London.

Petrofina was put into play when its main shareholder, Albert Frère, the secretive Belgian financier, sought a buyer for its 30 per cent interest.

In addition to extensive North Sea interests and petrol stations, Petrofina and Total own the 200,000 barrel per day Lindsey refinery, Britain's third largest, at Immingham.

## Rover deal

BMW will confirm today that it will cut 2,500 jobs at its Rover subsidiary amid speculation that Walter Hasselkus, the chairman of Rover, might himself be replaced. The cuts are part of a flexible working package agreed with unions that has been designed to stem Rover's heavy losses.

Page 26

## Pubs move

The groundwork was laid yesterday by Nomura International, the Japanese-owned securities house, for a £1 billion flotation of a big chunk of its tenanted pub estate.

Page 31

## Claremont jobs go in Courtaulds cuts

BY SARAH CUNNINGHAM, RETAIL CORRESPONDENT

COURTAULDS TEXTILES is to close eight factories with the loss of more than 1,200 jobs at Claremont, a supplier of Marks & Spencer.

The closures bring to nearly 2,300 the number of jobs cut by M&S clothing suppliers in the past two weeks. William Baird said a fortnight ago that it was cutting 370 staff, and Dewhurst said last week that 600 jobs are to go. M&S has been cutting back on orders because of a sharp decline in trade.

Colin Dyer, chief executive of Courtaulds Textiles, which employs about 25,000 in total, said that the job cuts were a response partly to long-standing overcapacity at Claremont which supplies only Marks & Spencer — and partly to worsening trade. Cour-

taulds Textiles bought Claremont two months ago.

Hardest hit will be the North East. Two of the factories, at Newton Aycliffe and Stanley, between them employing more than 300 people, are in the Prime Minister's Sedgefield constituency. Another casualwear factory, in South Shields, employs 261.

The other factories, which all produce lingerie, are in Giltbrook, Nottinghamshire (95 staff); Portsmouth, Hampshire (152); Sandiacre, Nottinghamshire (123); Shoreham-by-Sea, West Sussex (127); and Woodville, Derbyshire (55). A further 60 jobs are to go at the Claremont lingerie head office in Nottinghamshire, with 35 more to go at its casualwear head office in Rotherham.

## Barings trio branded incompetent

THREE former directors of Barings, the bank brought down by rogue trader Nick Leeson in 1995, have been branded "crass" and "incompetent" by a High Court judge as he banned them from any involvement in running a company (Richard Miles writes).

Andrew Tuckey, Ron Baker and Anthony Gamby now face disqualification as company directors by the Department of Trade and Industry for up to a maximum of 15 years.

At a hearing yesterday Mr Justice Jonathan Parker said the collapse could have been avoided if the three had performed their duties properly.

## Newcastle turmoil over disgraced duo

BY JASON NISSE

BATTLE has resumed at Newcastle United, the football club, over moves to re-elect the disgraced directors Douglas Hall and Freddy Shepherd, to the listed company's board.

Dennis Cassidy, who took over as chairman in July, has threatened to resign over moves by Cameron Hall Developments, the Hall family private company that owns 57 per cent of Newcastle's shares, to bring the duo back.

The two resigned in April after being quoted in a Sunday newspaper criticising fans, players and local women.

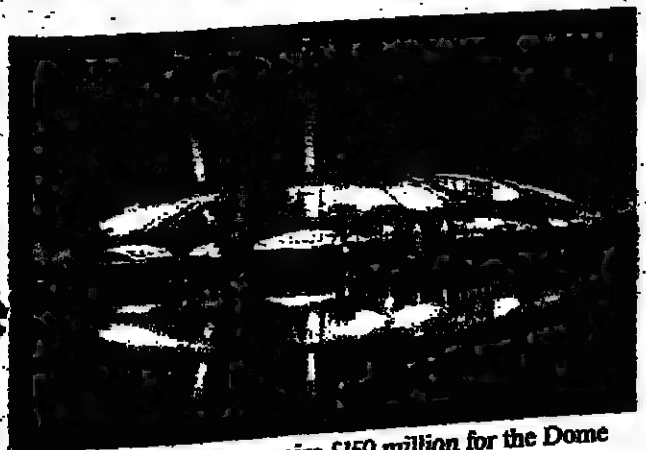
Newcastle yesterday announced that Cameron Hall had told the company that it would block re-election of two non-executive directors, John Fender and Tom Fenton, at next Monday's annual general meeting. They joined the board only in May, as representatives of Cameron Hall and Shepherd Offshore. Mr Shepherd's company, which owns 7 per cent of the club's shares, Newcastle said that "in the event of Mr Fender and/or Mr Fenton not being re-elected", Cameron Hall would propose Mr Hall and Mr Shepherd for their places. Newcastle has now postponed its AGM to assess matters.

Mr Cassidy is understood to feel that Cameron Hall has gone against its assurances on how Newcastle would be run if he took the chair. If he resigns, only two of nine directors at Newcastle's February 1997 flotation will be left.

Commentary, page 27

# IMG enjoys a £4m millennium experience

BY JASON NISSE



IMG was called in to raise £150 million for the Dome

MARK McCORMACK's International Management Group (IMG) has been given a payment of more than £4 million for its work raising sponsorship for the Millennium Dome.

The payment was agreed as part of the termination of the deal between IMG and New Millennium Experience Company (NMEC) — the group formed to run the Dome.

IMG was brought in last year and given the target of raising £150 million of sponsorship from private companies.

Last week NMEC announced that McDonald's, British Aerospace and GEC had agreed to back the Dome, bringing the amount of sponsorship to £120 million. It is understood that a further £15 million of backing, from Ford of Europe, may be announced within a few days.

Under IMG's original deal, struck 18 months ago, it was entitled to a 6 per cent commission on any money raised.

After being told earlier this month by Liam Kane,

NMEC's chief executive, that its services would no longer be needed, IMG demanded payment of at least £8 million under this agreement.

It is understood that NMEC offered less than £3 million, claiming that most of the sponsorship had been attracted by NMEC itself, rather than Mr McCormack's organisation.

IMG came close to taking legal action before settling with NMEC yesterday for a payment understood to be in the region of £4 million.

Both sides claimed yesterday that the break up was amicable. "NMEC would like to acknowledge the contribution made by IMG in helping reach the sponsorship figures announced last week," said Mr Kane.

Eric Drossart, managing director of IMG, told The Times: "IMG is pleased to have played its part in providing these substantial sponsorship funds to the Millennium Experience and looks forward to a fantastic millennium celebration."

**You'll love your phone bill**

**SEEKING IS BEHAVING**

With our unique system, you can find the best mobile phone deal for your needs. We'll help you choose the right phone, the right network, and the right deal. So you can stop searching and start saving.

Country	BT	Savings
Australia	10p	49p 80%
France	9p	28p 68%
Germany	10p	28p 64%
Japan	16p	67p 75%
USA	6p	24p 75%
UK mobiles	15p	30p 50%

And many other great deals.

Call 0800 358 2223

**AXS**



# Rover boss under pressure as BMW confirms job cuts

By SIGRID AUFTERBECK AND ADAM JONES

BMW will confirm this morning that it is cutting 2,500 jobs at its Rover subsidiary amid speculation that Walter Hasek, the chairman of Rover, might himself be replaced.

The cuts are part of a flexible working package agreed with unions that has been designed to stem the heavy losses at Rover.

Rover's woes are hurting BMW's shares, which fell 7 per cent yesterday, one of the worst performers in a weak market. According to a report in *Die Welt*, the German newspaper, Rover could lose as much as £532 million this year.

Speculation is rising that there will be casualties among senior Rover management.

*Der Spiegel*, the German magazine, claimed several were to be fired and replaced by BMW managers. It claimed: "Even Walter Hasek, the Rover boss, must fear for his job."

BMW confirmed yesterday that there are plans to move managers from Germany to Britain, but said it was too early to give details.

BMW strongly denied a suggestion that there is a boardroom rift between Bernd Pischke, the BMW chairman, and Wolfgang Reitzle, a board member who had been his main rival for the top job five years ago.

When BMW bought Rover from British Aerospace, Mr Reitzle had suggested keeping only the MG, Mini and Land Rover models.

This strategy would have avoided most of the problems now faced, industry observers believe.

The cost-cutting package that will be confirmed today is likely to be slightly less radical than BMW wanted.

Although Saturday working — the biggest sticking point in the negotiations —

will be introduced across the group, it is thought to be only on a voluntary basis. The working week will be cut from 37 hours to 35 hours over two years.

There will be mass meetings at Rover car factories on Thursday and Friday. Balloting of the union members for approval of the deal is likely to start on Friday.

Meanwhile, Peugeot, the French carmaker, is to take on an extra 900 workers at its factory in Ryton, Coventry, to boost production of its new 206 hatchback. It said another 2,000 jobs should be created at suppliers in the region.

Peugeot said it was reaping the benefit of a flexible working agreement agreed two-and-a-half years ago. Output will increase from 2,500 cars a week to 3,400. The extra workers are needed to meet buoyant demand for the 206, Peugeot said.



John Simons, chief executive, revealed impending disruption

## Cost of update hits Hazlewood shares

SHARES in Hazlewood Foods, the supermarket own-label specialist, fell 7 per cent when the group revealed that production would be disrupted early next year (Robert Cole writes).

Profits for the six months to September 30 reported yesterday were flat at £19.6 million against a backdrop of "weakening consumer confidence".

The shares lost 10p to close at 132.5p. They touched 240p in July. The half-time dividend is 2.7p against 2.6p.

Times page 28

## Cost of Sets hits exchange surplus

COSTS of setting up the Sets electronic trading system contributed to cutting the London Stock Exchange's first-half financial surplus by 14 per cent (Fraser Nelson writes).

The Exchange, whose share trading system processes 99.2 per cent of deals in London, made a surplus of £153 million (£18.3 million) for the six months to September 30.

However, it said that Sets, which was running throughout the period, had cut the cost of trading by up to 60 per cent for FTSE 100 stocks.

With low levels of trade during the volatile summer, trading income fell by 8 per cent.

Overall income rose to £76.2 million (£70.2 million) as 147 companies joined the market — ten more than last time. However, this was offset by costs of maintaining Sets, setting up an alliance with Deutsche Börse and preparing computers for 2000.

The Exchange, owned by 270 merchant banks in the City, said its priority is to provide a market place — and not necessarily to make a surplus.

## House price rises to slow, says Halifax

THE rate of house price inflation is expected to slow in 1999 to 4 per cent, from 5 per cent this year, as the economy weakens, reducing demand for properties. However, Halifax, which publishes its latest house price index today, does not predict a slump in the market in 1999. The bank believes that lower mortgage rates should lessen the impact of any deterioration in the economic climate. Gary Marsh, Halifax assistant general manager, said: "Housing remains highly affordable in the historical context."

The average house costs £72,586. This is 3.26 times national average earnings of £22,259. The average ratio is between 3.5 and four times average earnings but rose to as high as five times in May 1989. According to Halifax, prices fell by 0.6 per cent in November. The Nationwide house price index, released earlier this week, showed an equally gloomy picture with a rise of just 0.1 per cent in prices. The November decrease in the index comes after a rise of 1.3 per cent in October, but Halifax emphasised that it was the trend over several months that was important. Prices in the three months to November were 1.2 per cent higher than in the preceding three months.

## Rentals boost Avesco

RENTALS of giant video screens during the World Cup helped Avesco, the television services group, to increase sales by almost 50 per cent in the six months to September 30. The group said its corporate and broadcast services division had a particularly strong first half. Turnover was £22.7 million (£15.2 million), with pre-tax profits before exceptional items of 12 per cent to £3 million. Fully diluted earnings were 16.1p a share (19.1p) and an interim dividend of 3.5p (3p) was declared.

## Forminster warning

FORMINSTER, which holds the UK franchise for French fashion chain Kookai, became the latest in a succession of retailers to give warning on profits yesterday. Like-for-like sales in the first 43 weeks of the year were down 11 per cent and the company said "profits for the full year would be significantly below current market expectations". The shares fell 4p to 484p. Michael Rahamin, managing director, said Forminster would be taking a minority stake in the French Kookai.

## GET aims to buy

GET GROUP, the electrical accessories supplier, lifted pre-tax profits to £2.34 million in the year to August 31, from £1.92 million. John Joseph, the chairman, said that GET was seeking bolt-on acquisitions, but no bids were on the table. He said its DIY products tended not to be hit by economic downturns. Turnover slipped to £40.76 million (£43.53 million) after cable products' selling prices fell. Earnings per share were 11.53p (8.33p). A final dividend of 2.75p (2.1p) makes 3.75p (3p).

## Aries stake for Wagon

WAGON, the engineering company, is acquiring a 20 per cent interest in Aries Industries, the market leader for door systems in France, for £180 million (£8.5 million). The acquisition was announced as Wagon reported a 6 per cent rise in underlying pre-tax profits to £11.2 million for the half year to September 30. Underlying earnings rose to 13.9p a share from 13.5p. The interim dividend is held at 7p. The shares rose 204p to 204p.

## Caution at Amberley

AMBERLEY, the specialty minerals and chemicals group gave warning yesterday that pricing pressures would hit the company as its markets begin to feel the strain. Philip Kanas, chairman, reported pre-tax profits up by nearly 20 per cent to £3.1 million in the six months to September 30, as turnover increased 35 per cent to £32.8 million. But the company's shares fell 8p to 70p as Mr Kanas said: "It is prudent to expect a demanding period ahead as markets continue to soften."

## Micro Focus change

MARTIN WATERS has departed as chief executive of Micro Focus, the software solutions company. He makes way for Gary Greenfield of Intersolv, the US company acquired by Micro Focus. The change coincided with news of a fall in underlying quarterly pre-tax profits to £1 million (£3.8 million). The company said results were hit by not having appropriate year 2000 products, a sales staff shake-up, merger-related integration issues and reduced IT spending by financial institutions.

## SCS sitting pretty

SCS UPHOLSTERY yesterday eased the gloom in furniture retailing by reporting increases in sales per square foot, margins and profits. Pre-tax profits rose by 30 per cent, to £4.1 million, in the year to September 30 after excluding costs of SCS's flotation 12 months ago. Mike Browne, chief executive, said that turnover rose 23 per cent, to £29.3 million, despite "generally unhelpful" trading conditions, and that more sites would be opened. The shares stayed at 614p, against a 148p high.

## Leopold Joseph ahead

UNDERLYING profits rose 28 per cent at Leopold Joseph Holdings, the private banking group, in the six months to September 30. After non-recurring items pre-tax profits were little changed at £1.04 million (£1.02 million). Loans and advances to customers increased 7 per cent to £95 million. Earnings per share were 9 per cent higher at 14.65p and the interim dividend is 5p (4.50p). Robin Herbert, chairman, said, "I remain convinced that the current efforts will yield enhanced profitability."



Because her business demands  
the best from the Internet,  
she demands her service  
provider displays this logo.



The Internet is fast becoming a crucial part of every modern business. To ensure you stay ahead, you need to be confident your service provider can deliver.

Fortunately, the answer is simple. Look for service providers who display the Cisco Powered Network logo. It means they employ Cisco technology, the same technology that carries virtually all of today's Internet traffic. Whether you need Internet access, ATM, Frame Relay or any other network services, they can deliver.

Find out more about participating service providers by visiting  
[www.cisco.com/cpn/](http://www.cisco.com/cpn/)



Bank	Bank	Bank	Bank
Buy	Sell	Buy	Sell
Australia \$	2.11	2.54	0.61
Austria Sch	20.55	12.90	0.61
Belgium Fr	91.89	55.56	3.324
Canada Cdn	2.648	2.60	3.029
Cyprus Cyp £	0.8686	0.7933	12.91
Denmark Kr	11.16	10.27	11.93
Spain Ptas	6.84	5.23	275.51
Finland Mk	9.00	8.25	347.54
France Fr	16.71	9.01	228.15
Germany DM	2.861	2.859	14.19
Greece Dr	493	454	13.09
Hong Kong \$	13.61	12.41	2.21
Iceland	128	108	515705
Indonesia	15928	10828	48147
Israel NIS	1.1729	1.0838	1.757
Italy Lire	7.24	6.55	1.614
Japan Yen	215.25	188.73	
Netherlands Gld	3.324	3.029	
New Zealand \$	12.91	11.93	
Norway Kr	12.91	11.93	
Portugal Esc	207.54	275.51	
S Africa R	347.54	228.15	
Spain Ptas	347.54	228.15	
Sweden Kr	14.19	13.09	
Switzerland Fr	2.21	2.21	
Turkey Lira	515705	48147	
USA \$	1.757	1.614	

If perfection on the palate exists, this is it.

Ardbeg

ON BALANCE, THE FINEST MALT IN THE WORLD



# Size really does matter



COMMENTARY  
by our City Editor

It is easy to become biased about these mega-mergers. What with Exxon and Mobil creating a \$200-billion giant which is the world's biggest oil company, and Hoechst and Rhône-Poulenc combining for what, by some measures, would be the world's largest pharmaceutical group, it is easy to forget that Total is paying \$13 billion for Petrofina — \$3 billion more than Deutsche paid for Bankers Trust on Monday.

Why are we seeing these giant deals at the moment? Unlike in the mid-1980s or the early 1990s, they are not a factor of benign economic conditions and an ever-rising stock market. We are in uncertain times with the banking markets crying out for consolidation and the oil price hovering just above \$10 a barrel. That is why Exxon and Mobil, BP and Amoco, Bankers Trust and Deutsche, Citicorp and Travelers and a host of others are huddling together for warmth.

Relative to all of this, the life sciences merger of Hoechst and Rhône-Poulenc looks like a well-planned deal. Unlike our own dear Glaxo Wellcome and Smith-Kline Beecham, the two companies were able to provide extensive detail of who will manage what business, and how they will rank in the various pharmaceutical and agrochemical markets. Despite Hoechst's stronger position in pharmaceuticals, the two sides agreed a 50-50 deal, and

R-P's Jean-René Fourtou and Hoechst's Jürgen Dormann were yesterday falling over one another to express the depth of mutual understanding and excellent team spirit that has already been established between the management teams. They have even had time to dream up a new name, Aventis, and design a logo.

The group will be spending \$3 billion a year on R&D, 80 per cent of that in pharmaceuticals. With perhaps 10,000 jobs to go, the estimate that the deal will produce annual savings of \$1.2 billion will probably prove conservative. Aventis will also have 18,000 drug sales representatives to push its products. And Aventis Agriculture will be the world leader in crop protection.

That should not obscure the fact that the merger is a reflection of the weakness of Hoechst and Rhône-Poulenc, not of their strength. Neither company punches its weight in pharmaceuticals, and they lack the blockbuster drugs of the industry's true leaders. The deals that led Hoechst to buy Marion Merrell Dow in 1995 and Roussel Uclaf in 1997 have not stopped the German group having the lowest operating margin among the world's top ten

drug companies. The integration of those purchases is still far from complete. Now Rhône-Poulenc's chemists are pouring Rhône-Poulenc Rorer and Pasteur Merieux Connaught into the mix, as well as its crop protection and animal health operations. Despite the will of the senior management, Franco-German tensions could hamper efforts to build a single culture — which was always going to be the most difficult job.

## BMW rues the day it bet on sterling

Rover is shedding 2,500 jobs in Birmingham; Peugeot is adding 900 down the road at its Ryton plant in Coventry. How convenient. But it seems an unhappy coincidence.

Rover's British name still makes people think of it as more British than a long-established Ford or newly arrived Toyota. And it does go some way to ex-

plaining the contrast. Rover is suffering because the rise of sterling made its export drive unprofitable. Companies, such as Peugeot, that supply mainly imports have been having a great time.

Ryton was once the pulsating heart of the Rootes Group, with a portfolio ranging from Hillman's tiny Imp and sensible Minx, via the sporty Sunbeam Alpine to the vast Humber Super Snipe. In 1998 an extra shift at Ryton will bring employment there to about 3,100.

In the scheme of things, this is a modest advance. Rover will still employ about 36,000 after the cuts and Ford is having to cut output by more than Ryton's total. Congratulations nonetheless to Peugeot's British management, which introduced more than two years ago the flexible hours just negotiated at Rover's old Austin factory at Longbridge.

At DM2.77, the level of sterling is still hitting any manufacturer basing European operations in

the UK. Rover is worst off because its cars are made only here. There is no escape.

That wrinkle is another chasm between reality and any strategic vision that BMW had for Rover in 1994, when it bought the tattered flagship of British motor manufacturing, Rover. Pischetsrieder, who took the wheel at Munich just as the great motoring boom was fading, still hopes that Rover will make money by 2000. His colleagues are ever more dubious. Losses at Rover had been coming down nicely, but will balloon like an inflating airbag as hopes crash this year.

Rover losses, once seen almost as a badge of honour for long-term strategists, are now the subject of emergency meetings of BMW's supervisory board. Herr Pischetsrieder's position is weakening as others dissociate themselves from his Rover project. In Birmingham, Walter Hasselkus, who came as a troubleshooter, is now surrounded by new trouble-

shooters. If he keeps his job, in his beloved England, it may be only because no one else from BMW is keen to go out on a limb that may yet be severed.

Productivity gains help, but the whole world motor industry still faces a tough three years ahead. There is worse to come.

## Don't forget the divi

On a day when the FTSE 100 lost 206 points for little apparent reason, it is ironic that Merrill Lynch should publish research into the factors used by leading investment managers when judging the value of shares. With each wild swing the leading indices' relationship with fundamental corporate strength gets weaker and weaker.

According to the Merrill research, return on equity is now the measure of value most used by investment managers. ROE pushes the dearly beloved price/earnings ratio into second place. Moreover, Merrill says that dividend yield, once so popular, is now "basically unused".

Of course, good investment managers use a wide variety of

benchmarks when assessing value. Return on equity, along with other measures, brings a rigour to the analysis of corporate performance missed by more traditional earnings and dividend ratios. But investors need to be aware that some more fashionable benchmarks are also open to manipulation by companies. Lack of consistency in preparation of ratios can mislead, especially in comparative analysis.

Fundamental analysis of value is now much less important than sentiment and liquidity anyway. But there is a danger that new valuation techniques are being used to justify share prices where it should be the other way round. It is time to go back to basics, and dividend yield, for one thing, deserves to be taken more seriously than at present.

## A contrary Toon

WHEN Douglas Hall and Freddy Shepherd resigned from Newcastle United's board they departed with all the good grace of Paul Ince being sent off for England. And now, only eight months later, they are trying to be re-elected, in direct contravention of the undertakings that they, as representatives of the majority shareholders in the football club, gave to the rest of the board. Sorry, Mr Hall and Mr Shepherd. If you want to run Newcastle as a private company, take it private.

# Up to 10,000 jobs to go with creation of Aventis

By PAUL DURMAN

AN ESTIMATED 10,000 jobs look set to go as Hoechst of Germany and Rhône-Poulenc of France set about creating Aventis, whose \$20 billion (£12 billion) of annual sales will make it the world's largest life sciences group.

Some of the pain will be felt in the UK, where Rhône-Poulenc, which bought Fisons three years ago, employs 2,750 in its pharmaceutical and plant protection businesses. Hoechst, which owns Hoechst Marion Roussel (HMR), has 2,200 UK employees.

Jean-René Fourtou, chairman of Rhône-Poulenc, and Jürgen Dormann, who heads

Hoechst, were keen to emphasise that redundancies would be handled in a "socially responsible" manner after consultation with unions. But Aventis is seeking to achieve annual savings of \$1.2 billion over the next three years.

Aventis will be a jointly owned company that will comprise HMR and Rhône-Poulenc Rorer, in pharmaceuticals; Pasteur Merieux Connaught in vaccines and the loss-making Ceva in blood products. Aventis Agriculture will be formed around Hoechst-Schering AgrEvo and Rhône-Poulenc Agro. In an effort to overcome

national tensions and build a genuinely European company, Aventis will create a new headquarters in Strasbourg, on the French side of the border with Germany.

Aventis Pharma will leapfrog Glaxo Wellcome to become the world's second largest drug company — its biggest on some measures. It will spend \$2.4 billion a year on research and development, and will have 30 new drugs in late stage development. Aventis Agriculture will also be world leader in its markets, with \$4.5 billion of crop protection sales. The deal will leave Hoechst and Rhône-Poulenc owning

specialty chemicals and other businesses that are to be sold over the next three years, allowing a full merger of the two stock market-listed companies. The companies will be renamed Aventis Hoechst and Aventis Rhône-Poulenc and will be managed by a common team of directors.

M Fourtou said the deal was based on a close personal understanding between himself and Herr Dormann, who will chair the Aventis management board. M Fourtou said a deal had been under discussion since Herr Dormann invited him and his wife on holiday three years ago.

# Kenwood slides 16% on warning

By SARAH CUNNINGHAM

A PROFITS warning from Kenwood Appliances, which has been affected by a sharp downturn in UK and Asian sales, sent its shares falling nearly 16 per cent yesterday.

The company said "prospects have worsened in the UK since mid-summer with declining consumer confidence resulting in reduced sales and destocking by customers".

The company forecast that its second-half profits will be no higher than those made in the first half.

In the six months to October 2, pre-tax profits before exceptional items fell from £2.2 million to £900,000. Sales were down from £81.5 million to £73.4 million. The company will not be paying an interim dividend.

Kenwood, which has reduced its workforce by about 20 per cent to 2,346, is introducing a range of new products, but most will not be in the shops until after Christmas.

Despite continuing speculation, Kenwood said it had not received any approaches from potential buyers.

Pifco has long been interested in Kenwood, although it has never tabled a formal bid, while Martin Naughton, the Irish owner of Morphy Richards, has built a 3.5 per cent stake. The French company Moulinex is also rumoured to be interested.

The shares closed at 104p, down 19p.

Tempus, page 28

# Carlton counts cost of digital

By RAYMOND SNODDY, MEDIA EDITOR

CARLTON Communications, the television group, has blamed a fall in annual profits on a £28 million investment in the launch of its digital television service.

Profits for the year to the end of September came in at £312.1 million compared with £316.3 million last time.

Excluding Carlton's 50 per cent share of the start-up costs on ONdigital, the digital terrestrial service launched last month, pre-tax profits grew by 7 per cent to £340 million.

Michael Green, chairman, said that with ONdigital a licence had already been turned into a new business.

"Early indications are of strong demand from the public," Mr Green said.

Three of the four Carlton divisions — television, video and film — all increased profits, but the strong pound and weakness in Far Eastern markets cut profits from the sale of professional broadcasting products such as Quantel by more than half from £52.3 million to £22.8 million.

In the television division Carlton lifted operating profits 7 per cent to £160.6 million. Video increased operating profits 20 per cent to £81 million.

Adjusted earnings rose 8 per cent to 32.6p a share. The total dividend is lifted 10 per cent to 13.65p with a final of 8.25p. The shares fell 9p to 478p at the close yesterday.

Tempus, page 28



## CABLE & WIRELESS

We have Customer Service Centres

located around the world. Which means that

wherever in the world our customers

are and whatever their problem might be,

we make sure that they'll be able to speak to

someone in their own language.

It's for reasons like this that we created

Cable & Wireless Global Businesses.

A genuine response to our customers' needs.

It means we can deliver the world-wide reach

they demand and guarantee network

reliability.

Cable & Wireless is one of the world's largest

carriers of international traffic.

We want to lead the world in integrated

communications.

If anyone can do it Cable & Wireless can.

And will.

For the Global Calling Card  
that lets you call the World, call us.  
FreeCall 0500 100 505.

www.cablewireless.com



STOCK MARKET

MICHAEL CLARK

# Blue chips bear brunt of sharp price correction

SHARP overnight falls in New York and Hong Kong had investors running for cover at the start of trading in London. After the strong performance of the past few weeks, some profit taking was inevitable. But the severity and speed of the correction caught many investors on the hop. Leading shares had attracted the lion's share of institutional support in the past fortnight that has lifted the market almost 8 per cent. Yesterday they bore the brunt of the sell-off.

Another gloomy survey from the Confederation of British Industry further dented sentiment.

The FTSE 100 index lost ground throughout the day closing just above its low point. It finished 206.4 down at 5,537.5 as the Dow Jones industrial average struggled to pare back opening losses. Total turnover topped more than a billion shares. The FTSE 250 index also shed 80.3 at 4,821.4.

Of the top 100 companies, only five ended the session in positive territory. They were Telewest, up 2p to 133p, Railtrack, up 17p to 166p, Marks & Spencer, up 34p to 454p, National Power, 24p better at 588p, while vague bid talk lifted B&I 44p to 365p.

The heaviest falls were seen in Associated British Foods, 57p to 355p, Sema Group, 45p to 450p, GEC, 37p to 458p, ahead of results. Securicor, 36p to 452p, Diageo, 44p to 634p, and BT, 81p to 110p.

The market's sudden turn of fortune weighed heavily on Ascentage, the fund manager off 41p to 452p. But there were also losses among other financials with HSBC down 104p to 153.36 reflecting the overnight losses in the Far East and some cautious comments from Credit Lyonnais, the broker. Losses were also seen in Royal Bank of Scotland, 57p to 85p, Sun Life & Provincial, 33p to 500p, and Lloyds TSB, 51p to 791p.

Savoy Asset Management, steady at 127p, may pale into insignificance when compared with the likes of rival fund managers like M&G Group, but no one can say it is not ambitious. It now has £365 million under management and is on the lookout for acquisitions. The group revealed interim pre-tax profits up from £272.630 to £330.461 and a first-time interim dividend of 2.25p.

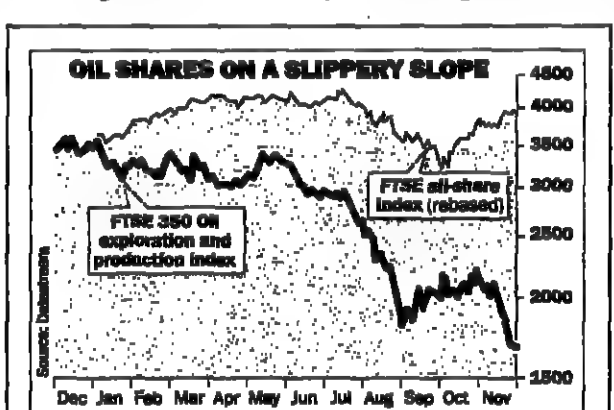
Cortice saw its share price



Chris Saunders, left, managing director and Norman Riddell, chairman of Savoy Asset Management, steady at 127p

almost halve with the price down 11p to 15p after the departure of Michael Flynn, chief executive. He quit the biotech company after it emerged that two of the company's three leading projects were not as advanced as had been previously indicated.

The news sent a shiver through the rest of the market and brought back reminders



THE oil price currently stands at its lowest level for 12 years with no prospect of a rally in sight.

Last night the price of Brent crude for February delivery dipped below \$11 to close at \$10.55 a barrel. Supply continues to outstrip demand on world markets and with little likelihood of Opec agreeing to reduce production cuts, the outlook for the oil sector remains gloomy. As a result, oil companies are looking to merge to cut costs in the hope of defending profit

margins. The exploration companies were marked lower with Enterprise Oil down 15p to 318p, Lamsco 74p to 132p, Ranger 32p to 292p, XCL 74p to 167p, Tullow 5p to 524p, and Cairn Energy 4p to 104p.

Merrill Lynch, the broker, has reduced its recommendations for Enterprise, Cairn and Lamsco. Credit Suisse First Boston has also cut its recommendation for Lamsco from "buy" to "hold" pointing to its capital expenditure programme.

sector. This time it was Fortminster, owner of the Kookka chain of fashion outlets, down 4p to 434p. Like-for-like sales in the first 43 weeks of the year were down 11 per cent as the downturn in consumer spending continued to bite. Profits for the full year will be "significantly below" expectations.

A warning about fourth-quarter profits left Turnpike 24p easier at 5p. Order books declined sharply in October with its export business badly affected. A gloomy trading statement left Amberley Group nursing a fall of 8p to 70p. The chemical company reported a further softening of its markets putting prices under pressure.

Another bid approach lifted City Site 4p to 304p valuing the property developer at £5.5 million. News that the chief executive had been taking advantage of the weak share price to top up his holding, lifted Robert H Lowe 4p to 4p. Mr. Canty has picked up 678,000 shares taking his holding to 15.13 million shares, or 11.56 per cent.

There was some positive news from Dixons Motors with the price rising 12p to 108p. The car dealer says full-year results will be significantly ahead of expectations. Shareholders will be rewarded with a 20 per cent increase in the dividend. However, rival Inchcape finished 24p easier at 122p after Merrill Lynch, the broker, cut its recommendation from "buy" to "hold".

LI GILT-EDGED: The shake-out in the equity market proved to be good news for the bond market where gains were seen right across the yield curve. Even so, prices failed to hold their best levels but still managed to close with gains stretching to more than 50p at the longer end.

In the futures pit, the March series of the long gilt rose 21p to £117.42, after briefly touching £117.80. Turnover was better than of late with 29,000 contracts having been completed by the close. Among conventional issues, Treasury 8 per cent 2021 put on 52p to £148.50, while in shorts Treasury 7 per cent 2002 was 12p better at £106.70.

NEW YORK: Wall Street reversed the worst of its early losses to stage a partial recovery. At midday the Dow Jones industrial average was down 24.97 points to 9,091.58.

New York (midday):

Dow Jones 9081.58 (-24.97)

S&amp;P Composite 1164.73 (-1.10)

Tokyo 14855.41 (-48.28)

Nikkei Average 9975.85 (-426.47)

Hong Kong 9975.85 (-426.47)

Amsterdam 1048.73 (-51.88)

Sydney 2734.1 (-39.2)

Frankfurt 4781.73 (-24.57)

Singapore 1388.73 (-47.85)

Brussels 3571.81 (-74.48)

Paris 3571.81 (-74.48)

Zurich 1807.50 (-54.88)

London 3513.3 (-38.4)

FTSE 100 5537.5 (-206.4)

FTSE 250 4821.4 (-80.3)

FTSE 100 2532.5 (-49.3)

FTSE All-Share 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

FTSE 100 2532.5 (-49.3)

## Join the Carlton club

IT HAS been an important and mainly positive month for Michael Green and Carlton Communications. On digital, Carlton's 50 per cent owned digital terrestrial service, launched on time although with a shortage of set top boxes. News at Ten is on the move clearing the way for a more aggressive, advertiser-friendly and profitable ITV schedule.

Moreover, the revaluation of ITV licences will save the company £15 million next year and £22 million the year after. The £2,000 a year Central licence is likely to be in place for another two years too. On top of that Carlton has hired 34-year-old Stephen Cain, the youngest chief executive in FTSE 100.

Uncertainty will continue to surround the positive elements for some time, however. On digital has to prove itself as a business although just by being there it is already worth

something. Even if it were to collapse it would be little more than an embarrassment to Carlton. The upside, however, is considerable.

The uncertainty surrounding Stephen Cain will also take time to dissipate. He was introduced to analysts yesterday but perhaps wisely decided against saying anything. Michael Green has been telling people that Mr Cain is a serious player and not one's patsy. The word is that Mr Green did not make the soft choice from the shortlist. But within a year Mr Cain will have to prove he can be independent of Michael Green.

Against the uncertainties must be placed the continuing profits growth in television, film and video. With Carlton shares trading at a relatively meagre 14 times current year earnings per share estimates, the company is undervalued. Buy.

## Hazlewood

HAZLEWOOD Foods has successfully distanced itself from commodity production by concentrating its fire on the manufacture of higher-margin goods such as chilled pizzas and cooking sauces. Consequently it should be able to avoid pain caused by such factors as glut in pig meat or pressure in fish farms that afflict so many of its peers.

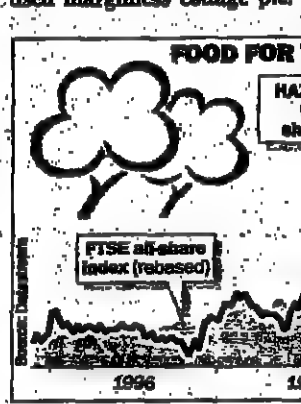
The company's shares rose strongly in response to the shift out of potentially hazardous activities. The realisation, however, that the change did not guarantee success in devilish markets has put the shares into reverse.

The weakness of the food production sector as a whole dilutes the attraction of even the strongest players. The inability to exert control over prices is the most troubling problem and while Hazlewood is better placed than Albert Fisher or Hillsdown, it still depends to an uncomfortable extent on supermarket buyers looking generously on its profit margins.

Hazlewood has to run fast to keep up with the changing expectations. Last year's value-added cottage pie is next year's unwanted, commodified margarine cottage pie.

## FOOD FOR THOUGHT

HAZLEWOOD FOODS share price



## Hogg Robinson

IMAGINE you are a chief executive of an international company, suspecting that a major recession is just around the corner. You have to cut costs, but where?

The axe, it seems, is falling on first class business travel and the City imagines this is bad news for Hogg Robinson - which now manages more company travel budgets than anyone else in the world.

But the company is rapidly changing the way it does business and is being punished for being in the shape it once was. In the old days, it would charge straight commission on every ticket it sold. So first class travel was more lucrative than economy, and in hard times its clients just bought their own. It is now replacing this system with a flat fee. It is an arrangement which encourages Hogg to scout for good deals, but it also protects its revenues.

The success of this strategy

## was demonstrated yesterday.

its UK travel business, where almost 70 per cent is fee-based, lifted profits by 9 per cent. It was the commission-driven Nordic division which dragged down profits in the entire group.

With its main customers now also using its payroll and pension administration services, Hogg Robinson is much more resilient to a downturn than its share price suggests. At 8.3 times forecast earnings, they have been oversold.

## Kenwood

THE consumer spending downturn has hit Kenwood Appliances even harder than feared, not just in Britain but also in the Far East and Eastern Europe.

Kenwood's legacy of management problems compounds the market drudgery and means it will not have its share of new products in the shops in time for Christmas. Kenwood, despite its strong

## brand name, looks likely to lose market share in the next few weeks.

One of Kenwood's problems is that its famous Chef machine is so robust that it rarely needs replacing. Kenwood is making efforts to crack the strangely fashion-conscious kettle and toaster market, but it faces tough competition.

Given the strength of the name and the weakness of the share price, it has to be only a question of time before Kenwood is bid for. Even if possible British buyers feel too weak to bid in this difficult market, French and German companies must be casting eyes across the channel.

There is a risk that foreign buyers will wait for more trading bad news from Kenwood before they make their move.

At this level the shares are a buy, but only for those with strong nerves.

EDITED BY ROBERT COLE

## COMMODITIES

Commodity	Unit	Price	Change
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00

## COMMODITIES

Commodity	Unit	Price	Change
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00

## COMMODITIES

Commodity	Unit	Price	Change
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00

## COMMODITIES

Commodity	Unit	Price	Change
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00

## COMMODITIES

Commodity	Unit	Price	Change
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00

## COMMODITIES

Commodity	Unit	Price	Change
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00

## COMMODITIES

COFFEE	lb	102.00	+0.00
COFFEE	lb	102.00	+0.00
COFFEE	lb	102.	



# Britain is losing the European tax battle

What a way to run policy. The Sun and The Daily Mail whip up what one exasperated government official this week described as a "totally unnecessary frenzy" about European taxes. Gordon Brown panics and decides to toss Britain's tabloid readers some good news on booze and fags in the hope that Eurosceptics will shut up for a while. That, at least, is how it looks.

The Anglo-German deal on duty-free had, by the admission of the Treasury, come out of the blue. The only official explanation for the change in Britain's position yesterday was that there had been a significant shift in the German position. One then began to muse on the possibility that Britain had decided to perform a U-turn and support Germany on duty-free in exchange for some concession on tax harmonisation.

No sooner thought, that theory fell down when Oskar Lafontaine, Germany's Finance Minister, said that he wanted to get rid of Britain's veto on tax matters and, worse, Dominique Strauss-Kahn,

France's Economics Minister, supported him.

One is left with the conclusion that the revelation on duty-free, coming as it has in the middle of the current future in Britain about tax harmonisation, is no more than a cheap stunt to take attention away from the serious fight over taxation now in prospect and the question of whether the Government is doing a good job of defending Britain's interests.

Even before yesterday, it was virtually impossible to tell whether Britain was holding its own in Brussels, partly because the Government is so deeply ambiguous in its approach. To the Eurosceptic press, it plays Henry V, talking tough and brandishing vetoes in defence of the realm. To its partners in Europe, the Government is being over backwards to prove that they no longer have to deal

with a Thatcher/Major type of awkward squad.

The results of this doublespeak have, at times, been laughable. On the eve of yesterday's finance ministers' meeting, the Corporation of London was cock-a-hoop because it had heard through the grapevine that the Chancellor was going to use the occasion to veto European proposals for a withholding tax.

However, officials flatly denied that there was any question of threatening a veto at this stage. Less than 12 hours later, the Chancellor duly did. One can only assume that the "V" word is being strictly rationed to soothe European sensitivities.

Despite fierce protestations that Britain's interests are being defended, Tony Blair and Gordon Brown give the impression of running scared in Europe. Their strategy

seems to be one of treading softly, compromising where possible and building alliances, as Mr Blair's spokesman said yesterday. Despite the fact that a clear majority of the British people remain against the single currency, their strategy is centred on the hope that, if Britain ever votes yes in a referendum, the Euro 11 will be kind enough to allow us to join at a non-penal rate of exchange.



They show every sign of crumbling in the face of Oskar Lafontaine's arrival on the political scene and appear to be buying into the mild blackmail being perpetrated by Mario Monti, the European Commissioner in charge of taxation. Last week Signor Monti tried to frighten Britain into accepting compromise on tax havens and the withholding tax or face far more extreme demands for harmonisation, particularly from Red Oskar. On cue, Herr Lafontaine fulfilled every worst fear and M Strauss-Kahn fell into line. In the face of such provocation, the worst thing that Britain could do is to give away any more ground.

For Treasury officials seeking to suggest that tax harmonisation is not a serious issue and that the British press is hysterical, yesterday's events were sobering indeed. Mr Blair and Mr Brown have

long laboured under the illusion that only by compromise and engagement can Britain help to shape a Europe that is in its interests. They have thought that they are clever enough to play with the big boys and negotiate Britain into a position of strength, even outside the Euro 11. Surely that illusion has now been shattered.

Both men have promised the British people that they will not take Britain into the euro unless it is in its economic interest. However, fervent their wish to be at the heart of Europe, the fact now is that the two most powerful finance ministers in Europe have publicly aired the aim of stripping away national sovereignty over tax decisions.

Britain's low-tax regime has been unequivocally good news for enterprise. By any economic test, joining the euro is now looking a very dangerous prospect indeed.

Deal-making and compromise on tax now seem to be hopelessly inappropriate strategies.

Where does Britain go from here? The one factor that Britain has always felt was in its favour was that the large European economies would rather the UK was inside the euro and would give ground. Now it is clear that Germany and France would be happy to have Britain on board, but only on their terms. The comments by Herr Lafontaine and M Strauss-Kahn could not have been more belligerent.

It is hard to escape the conclusion from yesterday's events that now Labour's pro-EMU campaign lies in tatters. However, fervent many senior members of the Government are in favour of joining the euro, the odds on winning a referendum on the subject lengthened dramatically yesterday. The threat to British competitiveness is now there for all to see and the most courageous and democratic step would be to accept that fact and draw back from the euro. We are being made fools of.

## Spirit of humility marks shift in French attitudes to Europe

Adam Sage reports on the new-found equanimity displayed by Paris politicians

Last week Dominique Strauss-Kahn, the left-wing Finance Minister of France, offered an official response to the dual Anglo-German initiatives on European stock market and aerospace integration. Observers were expecting howls of anguish, insults and a sense of profound injustice that Paris had been overtaken by London and Bonn. At the very least, they anticipated a prolonged bout of Gallic sulking.

They were disappointed. Mr Strauss-Kahn reacted with self-deprecating modesty, underlining a sharp change in French attitudes towards business at home and in Europe. "You see," he said, "there is no difficulty about us joining the movements."

Market analysts pined themselves, and rechecked his comments. Where was the traditional determination to sabotage any European projects that did not emanate from Paris? Where was the belief that politics — and particularly French politics — should take precedence over economic logic?

The answer is that all this was absent. "This is a government that realises it knows absolutely nothing about industry and that it is better off letting the industrialists get on with it on their own," said René Thomas, of Credit Agricole Indosuez Cheuvreux, in Paris. "These socialists really are very pragmatic."

He may be exaggerating. France's authorities could hardly be described as "very pragmatic" when compared with some of their counterparts. They still cling, for example, to *Electricité de France*, the state-owned monopoly that this week paid about £2 billion for London Electricity.

Yet compared with the demagogue in vogue just a few years ago, M Thomas's analysis appears spot on.

Yesterday's announcement, for instance, that Total, rather than Elf-Aquitaine, is to buy Petrofina, the Belgian group, came after discussions to which the Government seems to have been nothing more than an observer and certainly did not intervene to help its national champions as it usually does. A decade ago, a back-seat role for the French State in a deal of such importance would have been unthinkable.

So, too, would have been the recent Finance Ministry proposal to follow Anglo-Saxon practice and separate the jobs of company chairman and managing director, roles that are combined by a single, autocratic ruler in the French system. This is part of a move towards transparency that is dictated by a globalisation process that France dislikes but realises that it cannot master.



Initial French horror at the prospect of an alliance between the Frankfurt and London stock exchanges soon subsided

years ago, M Thomas's analysis appears spot on.

Yesterday's announcement, for instance, that Total, rather than Elf-Aquitaine, is to buy Petrofina, the Belgian group, came after discussions to which the Government seems to have been nothing more than an observer and certainly did not intervene to help its national champions as it usually does. A decade ago, a back-seat role for the French State in a deal of such importance would have been unthinkable.

So, too, would have been the recent Finance Ministry proposal to follow Anglo-Saxon practice and separate the jobs of company chairman and managing director, roles that are combined by a single, autocratic ruler in the French system. This is part of a move towards transparency that is dictated by a globalisation process that France dislikes but realises that it cannot master.

The aerospace industry provides further evidence of Gallic evolution.

The French had every reason to feel aggrieved when it became clear that Bae and

DASA, its German partner, were working towards a merger that would give them a 57.9 per cent share in the Airbus consortium and an equally dominant position in key sectors ranging from missiles to satellites.

Aérospatiale, the state-owned French group, had been talking at the same table and fully expected inclusion in a mega-merger designed to turn Airbus into a limited company incorporated into a future European aerospace group.

The French authorities — which, as commentators in Paris never fail to point out, were among the founding fathers of Europe's aerospace industry — had even made concessions, promising to merge Aérospatiale and Matra in a move that will see the State's stake in what is to be known as France Aerospace fall to about 46 per cent.

Imagine, then, the fury at being double-crossed by the British and stabbed in the back by the Germans.

Yves Michot, the chairman of Aérospatiale, accused Bae and DASA of "gesticulating

and making PR announcements". Lionel Jospin, the French Prime Minister, telephoned Tony Blair to demand that the British Government stop the project — a reflex reaction that says much about the longstanding French custom of interfering in business. Alain Richard, the Defence Minister, simply hoped the whole problem would go away, saying "all the conditions are in place" for the creation of a European aerospace group that would include France Aerospace. It has taken less than a month for France to bow to reality.

Although there is still much anger and some talk of blockading the transformation of Airbus in response to the Anglo-German venture, the overwhelming feeling in Paris is one of resignation.

The Government has promised to press on with the privatisation of Aérospatiale and given a pledge to reduce its future 46 per cent stake in France Aerospace in an attempt to overcome reluctance

in London and Bonn. Yet if the Bae-DASA merger does go ahead, France will live with it, and even try to work with it. M Strauss-Kahn said that the British-German axis could provide a "useful" path for others to follow. On Tuesday, Jean-François Bigay, the vice-chairman of Aérospatiale, said: "If they merge, we will regret it but we will not be unable to move. The important thing is that they decide."

The view in Paris is that Bae and DASA will probably join forces, with France Aerospace invited to the party within a couple of years. "That would be seen as a political failure but it isn't a disaster," said a French banker who acts as adviser to Aérospatiale.

This new-found pragmatism is also evident in the equally highly charged domain of stock market integration. The Paris Bourse had been negotiating an alliance with the Deutsche Börse, when Frankfurt announced in July plans to link trading platforms with the London Stock Exchange.

Again, the initial French reaction was one of horror. Jean-François Théodore, chairman of the Paris exchange, accused the British and Germans of treating France as a "second-class passenger", and said he would set up a rival network that included Italy, Spain, Belgium and The Netherlands.

Again, it was only a matter of months before reality prevailed as the French realised that no amount of political pressure could resist the combined financial muscle of London and Frankfurt. Last week M Théodore abandoned his rival network as he invited the representatives of eight other European exchanges — including the Deutsche Börse and the London Stock Exchange — to a meeting in Paris described as the launch of a pan-European market.

If it was a launch, the rocket did not get very high. Participants spoke about a host of technical issues and avoided the key questions of structure and ownership. Hopes rather than plans emerged, and European integration remains a long way down the line.

But at least the meeting provided a way for the French authorities to climb aboard a bandwagon that is being driven by London and Frankfurt. "They are certainly showing more flexibility than we have been used to," said Paul Horne, European equity economist with Salomon Smith Barney. "They would once have taken a lot longer to come round to this position. It would have taken them years to get over their anger."

"When we came to Europe [from America] in the 1960s, the French were very prickly about what they saw as matters of principle," Mr Horne said. Now, as they finally accept that you cannot buck the market, they are less so, he added.

M Thomas put it more bluntly. "We have abandoned our archaic vision of the world."

## Just jute, jam tomorrow and jilted investors

Tomorrow, at the Excel-Hotel next to Glasgow Airport, a motion will be put forward for the removal of the chairman, managing director and two other directors of Tithagur, a small Scottish jute company that lost its Stock Exchange listing nearly nine years ago.

The motion is being put forward by a bankrupt, Reg Brealey, who may or may not be legally entitled to vote the shares at his disposal. He will be trying to oust a former friend, whom he invited into the company to turn it round.

This extraordinary story includes jute mills in India, an estate in the West of Scotland, former Facia boss Stephen Hinchliffe and more than 20,000 unfortunate shareholders who have lost all that they invested in the company.

The story starts more than ten years ago when Mr Brealey, a businessman from Lincolnshire, took control of Tithagur, one of Dundee's oldest companies that had been involved in jute production since 1833. Soon Mr Brealey, who also was to become chairman of Sheffield United Football Club, was embroiled in an insider dealing scandal.

The Stock Exchange not only prosecuted him, but also suspended Tithagur's shares. Though Mr Brealey was ultimately acquitted after a trial at which the judge criticised the Crown Prosecution Service, the suspension of Tithagur shares was never lifted.

Time passed and shareholders became increasingly unsettled until the latter part of 1997 when Tithagur was facing a financial crisis. Mr Brealey, who by then had left Sheffield United, had a legal battle with his brother and expanded the company in unexpected ways until it owned a 16,500 acre estate on the Knapdale Peninsula in western Scotland.

He turned to an old friend, Graham Avery, for help. Mr Avery was no stranger to con-

trovery, having run WB Industries, a firm investigated by the West Midlands fraud squad over property deals involving Stephen Hinchliffe.

Mr Avery took over the running of Tithagur, put £600,000 into the company and then sold Knapdale to a company linked to Mr Hinchliffe. He says he did not know of the link with Mr Hinchliffe (though he had his suspicions) and, anyway, the deal was so attractive to Tithagur that it was hard not to accept.

He also found the accounts in complete disorder. The last time Tithagur produced a balance sheet was in March 1994. Mr Avery says he has spent the past ten months in India trying to work out what the company owned and how much money it makes. He says Tithagur is now profitable and that he will be able to bring the accounts up to date within the next three months.

As part of the "cleaning up process", Mr Avery issued a writ against Mr Brealey to recover £980,000 worth of shares issued to him by Tithagur in 1994. No defence was entered by Mr Brealey but, on October 22, before the shares could be recovered, Mr Brealey was declared bankrupt.

Before the bankruptcy order was enacted, Mr Brealey used the shares he had in Tithagur — including those that the company was trying to recover — to convene an extraordinary general meeting at which he proposed that Mr Avery and three other directors be removed.

Mr Brealey's trustee in bankruptcy says he has given no authority for these shares to be used to try to oust Mr Avery, and Tithagur is now trying to have tomorrow's meeting called off before shareholders can vote. However, most Tithagur shareholders have probably given up hope of seeing their money and no longer care who runs the company.

JASON NISSE

## Do you Ken?

MARTIN TAYLOR was to have been at a seminar tomorrow at the Brewery, Chiswell Street, interviewed by Radio 5's John Humphrys. The seminar is organised by Barclays Global Investors, and no great surprise here. Taylor will not be turning up. A pity. It would have been interesting to hear his up-to-date views on "the changing face of financial services in Europe".

Instead, Humphrys will interview Ken Livingstone on his views on the City, but I am assured that he is not regarded as a replacement for Taylor. So strike Red Ken off the shortlist for the next chief executive of Barclays. Again, a pity.



Ken Livingstone will be an unexpected guest today.

## Hedged bet

I KNOW that an economist is someone who can hold two opposing views before breakfast. But I had no idea of the deep divisions that can open up within the same firm. Today, two of the country's best known, Tim Congdon and Brian Reading, will debate whether inflation is dead or just around the corner again. Reading believes the former and that we are heading for the worst recession since the 1930s, a view I am assured that has nothing to do with his planned move to



New Zealand next April. Congdon, his colleague at Lombard Street Research, thinks that inflation will rise again in the US next year, which is apparently now a Good Thing and will also entail renewed economic growth.

The two will square off at Skinner's Hall in the City at a seminar for clients. Who, I suppose, can comfort themselves that at least one of them must be right.

## Cut its cloth

WHO said the following, and when? And what was the consequence? "My directors and I fully support [Company A] in this acquisition, as we believe that this provides the best way of securing the long-term future of the company."

And "this merger [with Company B] will help us in exceeding our customers' expectations and will enable us to grow and strengthen our overall business".

The when is October 14, in a letter to all Claremont Garments employees after the company's purchase by Courtauld Textiles.

The first quote is from John Giffitt, chief executive of Claremont. The second is from Colin Dyer, Courtauld's chief executive. The consequence, we now know, was that 1,250 of those Claremont employees, one in four in the UK, lost their jobs.

ELDRIDGE POPE, the excellent if traditional Dorset pub operator, has turned his back on the City and on its Bar Excellence chain. This is one of those large, chrome and stripped wood "concepts" that seem to be taking over. Eldridge has sold up to Marston's, which owns another one, Pitcher & Piano.

So the two Bar Excellence pubs, in Cornhill and close to St Paul's, will shortly reappear as Pitcher & Piano. I undertake some research on behalf of my readers.

Young colleagues tell me there are more associated with areas such as the Fulham Road, and folk seeking a lively evening's entertainment and, possibly, lasting friendship. In the City, how can they fail?

## Poor try

THE debate on ITV's "dumbing down", after the decision to move News at Ten, will continue. But I have a contribution that should clinch it. The 1999 Rugby World Cup is being shown exclusively live on the network, and a marketing pack is doing the rounds of the advertising agencies.

There is plenty of jargon about "delivery of elusive, light viewers" (whatever they may be) as well as "mass audience reach" and "a commercial opportunity not to be missed". But the final attempt to woo the bow-tie and blue glasses brigade is contained within. Open it up, and there is a genuine 1999 Rugby World Cup joystick.

MARTIN WALLER



## INTEREST RATE CHANGES

EFFECTIVE 30 NOVEMBER 1998

Minimum balance	90 Day Notice		Two Year Deposit Bond	
	Annual gross p.a.	Monthly gross p.a.	Annual gross p.a.	Monthly gross p.a.
£250,000	7.05%	6.75%	7.10%	6.80%
£100,000	7.05%	6.75%	7.10%	6.80%
£50,000	7.00%	6.70%	7.05%	6.75%
£25,000	7.00%	6.70%	7.00%	6.70%
£10,000	6.95%	6.65%	7.00%	6.70%
£5,000	6.25%	5.95%	6.40%	6.10%
£2,500	5.25%	4.95%	5.90%	5.60%
£1,000	4.50%	4.20%		

\*Rates from £2,000

Interest rates on Offshore Instant Access, Offshore Taxwise, Offshore Monthly Income and Offshore Special Term Deposit accounts have also changed.

For more information please call

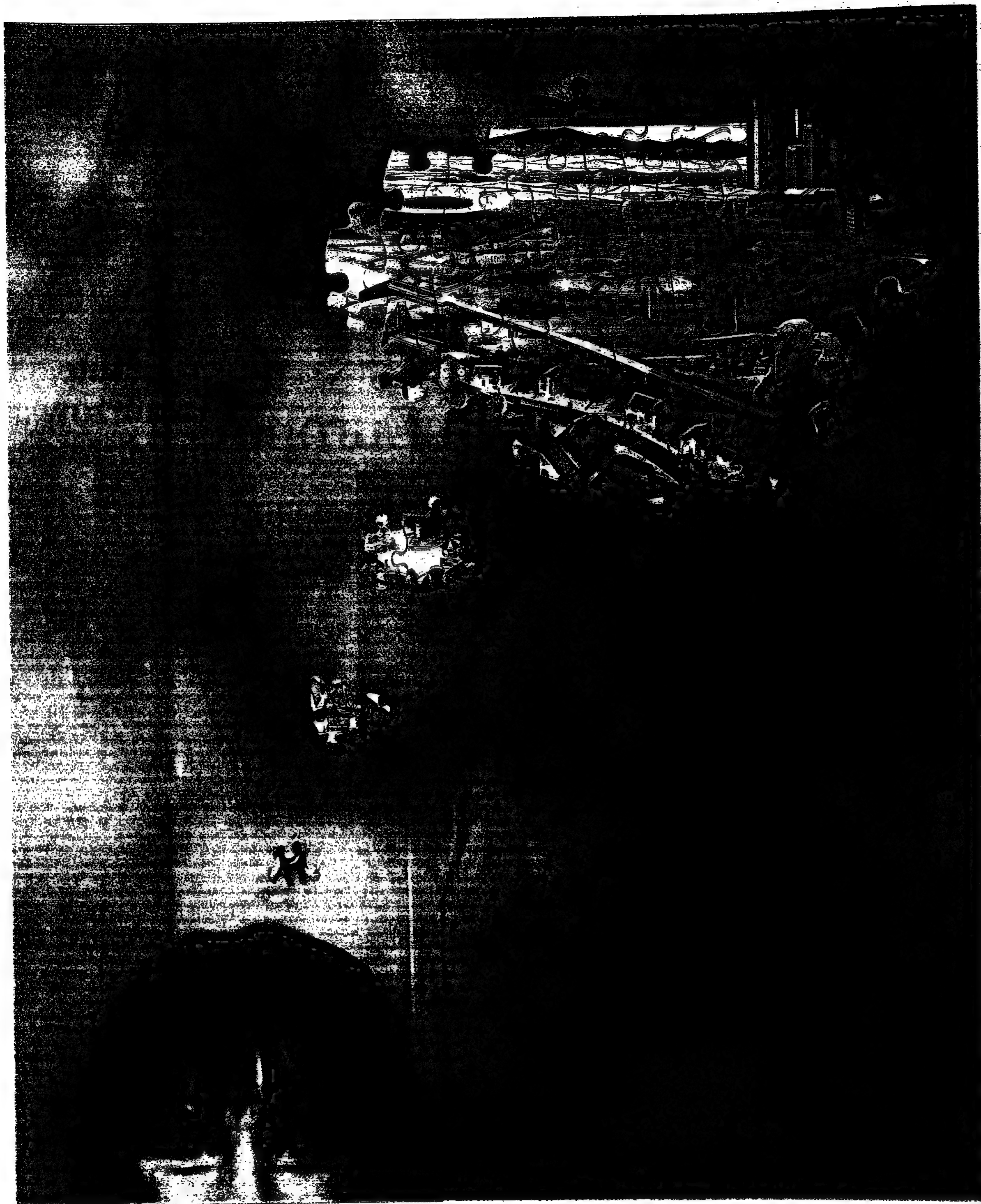
01624 681100

Britannia International

Britannia Home, Victoria Street, Douglas, Isle of Man IM99 1SD  
Tel: 01624 681100 Fax: 01624 681105 e-mail: britannia@btinternet.com www.britanniainternational.com

Britannia International Limited is a wholly owned subsidiary of Britannia Building Society, and is regulated with the title of "Var Financial Supervision Commission for Banking Business. Deposits held with Britannia International are covered by the title of "Var Financial Supervision Commission for Banking Business. It is the depositor's responsibility to declare interest earned to the appropriate tax authority. Registered Office: Britannia House, Victoria Street, Douglas, Isle of Man IM99 1SD. Registered in the title of May 50383





**Imagine a world** which gets progressively cleaner.

Imagine a world where city planning actually improves the quality of people's lives.

Imagine a world where new forms of communications technology are more user-friendly.

Vivendi has already imagined this world. What is more, we have begun to build it.

Our water companies are continually improving the quality of supplies to more than 80 million people around the world. Our waste management systems encourage recycling. Our power-generating

stations lead the way in energy-efficiency. Some even use waste as fuel.

Thanks to Vivendi companies, transport systems in cities across Europe are better planned and more cost-effective.

Every year, our construction companies manage over 100,000 sites around the world. Recent projects include the Stade de France on the outskirts of Paris, Cairo's new rapid transit system and the Vasco da Gama bridge in Lisbon.

We have also become a major player in the field

of communications, providing easy access to mobile phone networks, the Internet and digital media.

Reading this, you might deduce that such wide-ranging activities are commensurate with considerable financial growth.

And you'd be right.

Vivendi is one of Europe's largest companies, with an annual turnover approaching £21 billion.

All things considered, it seems that when the customer comes first, success soon follows.

**COMMITTED TO MEETING YOUR LIFE'S EVER-CHANGING NEEDS.**



[www.vivendi.com](http://www.vivendi.com)

Tomura la  
nique Pu  
wards £1

Airtours buy  
Travelworld



# Nomura launches Unique Pub estate towards £1bn float

By DOMINIC WALSH

THE groundwork was laid yesterday by Nomura International, the Japanese-owned securities house, for a £1 billion flotation of a big chunk of its tenanted pub estate.

Some 2,600 pubs — culled from its Intreprenur, Spring Inns and Phoenix Inns estates — have been put into a new vehicle, The Unique Pub Company, with a view to seeking a stock market listing in 2001.

Yesterday's launch of Unique follows Nomura's decision last summer to split its estate into two, partly in an effort to limit the effects of continuing legal action by licensees who dispute the legality of the Intreprenur beer tie.

The 2,600 Unique pubs have all signed its SupplyLine agreement on beer and drinks, launched in March, which, with rental income, is the group's main source of revenue. Of the 1,200 Intreprenur pubs that have not been

included in the Unique Pub vehicle, a third are engaged in litigation. A further 200 are free of tie, while the balance are earmarked for disposal.

Giles Thorley, chief executive of Unique, said the chain would make earnings before interest and tax of about £80 million to £85 million in 1999. He said that, as its debt finance runs only until 2003, a refinancing would take place before the planned flotation. "A securitisation is one of those options," he added.

Together with Guy Hands, Mr Thorley, 31, was a founder member of Nomura's Principal Finance Group in 1994. He negotiated the acquisition of Phoenix Inns in 1992 and became involved with Intreprenur and Spring Inns after their acquisition in 1997.

At flotation, Unique will have debts of between £700 million and £800 million, and an enterprise value of about £1 billion. He said that al-

though about 20 per cent of the properties were leased to pub groups such as Slug & Lettuce, Regent Inns and Yates Brothers, most were community pubs in the "Dog & Duck and Red Lion" category. Some £20 million is being invested in the current financial year.

One way that Mr Thorley is hoping to boost profits is by extending SupplyLine. Currently the arrangement encompasses almost 150 beer, cider and other drink brands, but Mr Thorley said it could grow to include "everything from utilities to white goods to food and dry goods".

The launch of The Unique Pub Company comes just a week after two court rulings supporting the validity of Intreprenur's beer tie. However, Martin Moore, head of the licensees' action group, will tonight urge litigants to continue fighting at a meeting at the New Connaught Rooms, Central London.



Sign of the times: Giles Thorley hopes to introduce Unique pubs to the stock market in 2001

## Airtours buys Travelworld

By MANUS COSTELLO

AIRTOURS, Britain's second-largest tour operator, has joined the acquisition trail again, spending up to £12.9 million buying Travelworld Group, the UK travel agency.

Travelworld, which last year had profits of £350,000 on turnover of £85.2 million from its 14 high street outlets, will cost Airtours an initial consideration of £4.2 million, of which £1.1 million is in cash and the remainder in loan notes. A further £3.72 million may become payable, based on performance targets that include selling more Airtours products.

Last week Airtours announced plans to raise £250 million from a bond issue to invest in acquisitions in Europe or North America. The Travelworld acquisition, however, is to be funded from Airtours's own resources.

David Crossland, Airtours chairman, said: "Only a small proportion of Travelworld's sales are of Airtours products and we expect Travelworld to be able to increase this proportion." Airtours, UK number two behind Thomson, has been the subject of merger rumours with its rival First Choice. It has spent almost £140 million on acquisitions since May.

## Blockleys rejects £13m NBM bid

By ROBERT LEA

BLOCKLEYS, the builders' merchant, has rejected a £13 million bid from Natural Building Materials, saying that the offer lacked "commercial logic".

The AIM-listed NBM yesterday bid 52p a share in an all-paper offer for Blockleys, which saw its shares tick up 2p to 44p. The offer values Blockleys at a 43 per cent premium to its closing share price last Friday.

Vaughan McLeod, NBM chairman, said that he was making the bid having already received support from Blockleys shareholders. "As part of the consolidation of the building materials sector, Blockleys

would fit very well with the building products business of NBM," he said.

Brian Taylor, chairman of Blockleys, said that the offer was "particularly unwelcome" and urged shareholders to take no action. He added: "It lacks any commercial logic and provides no apparent benefit to Blockleys's business."

Mr Taylor said that NBM had so far received the support of only 10 per cent of Blockleys shareholders, adding: "NBM is paying scant regard to the underlying value of the company or to its future prospects, and is wholly unacceptable."

## Cost cutting hits Hogg Robinson

By FRASER NELSON

FEAR of recession is prompting thousands of business travellers to give up first-class luxuries and settle for cheap seats, according to Hogg Robinson, the business travel agency.

The world leader in business travel arrangements said clients were increasingly asking that their staff be put in second class to cut costs.

Neville Bain, chairman, said: "The economic climate is placing pressure on the corporate need to travel. We are seeing a decline in premium passengers as they move from business class to economy, which has slowed growth."

Combined with pressure on margins in its Nordic businesses, profits in its core travel division fell to £10.8 million (£11.1 million) at the halfway stage.

However, many of Hogg Robinson's clients are using other services that the firm cross-sells. Some 25 per cent of group profit is generated by payroll management, pension administration and independent financial adviser services.

Group pre-tax profits were held at £14.5 million for the six months to September 30. The interim dividend is 4.25p (4.07p).

Tempus, page 28

### BUSINESS ROUNDUP

## Dixon Motors back in gear

SHARES in Dixon Motors, the vehicle dealership group, finally got back into gear yesterday after the company delivered a bullish trading statement and indicated plans for expansion. Paul Dixon, the chief executive of the group, which is Britain's biggest motorcycle dealer, said: "With one month of trading remaining, we are confident of delivering an excellent result for 1998, which will be significantly ahead of 1997."

Shares in the group climbed 12p to 108p — having plummeted to a low of 96p from a 12-month high of 298p — after Dixon promised a 20 per cent increase in the total dividend to 9p. The company also announced that it was disposing of a Vauxhall franchise business in Leeds for £1.8 million. However, Dixon added that it was in negotiations with Vauxhall to get representation in other large cities. Dixon said: "We have worked closely with Vauxhall on market area strategy and we expect to develop other opportunities during 1999."

## Character's sales soar

CHARACTER GROUP, the toy distributor, saw sales soar in its year to August 31, led by Disney tie-in products and Teleubbies merchandise. Pre-tax profits rose to £7.3 million, from £4.7 million, on turnover of £68.7 million (£41.3 million). Earnings per share were 25.79p (15.08p). A 3.95p final dividend makes 5.4p (4.5p). Richard King, chairman, said the group had felt the effect of the economic climate, but that he was "confident of continuing growth in the current year".

## Network Tech down

THE economic downturn in South-East Asia took its toll on Network Technology, with the computer networking company reporting profits down by 70 per cent. The company said a change in the way it accounts for research and development expenditure also depressed earnings. Pre-tax profit was £1.01 million (£3.29 million) for the year ended September 30. Earnings per share were 1.03p (6.82p) and the final dividend is 0.55p, making a total dividend for the year of 1.10p (1.25p).

## Jarvis wins extensions

RAILTRACK has granted Jarvis, the railway line maintenance group, a £27 million extension to two key contracts. Jarvis has won a two-year, £22 million extension to its contract for looking after track in the Liverpool to North Wales area, which had been due to end in April next year. The company has also been granted a two-year, £5 million extension to operate Railtrack's entire fleet of 11 trains for long-welded rail, which carry the metal to sites where new track is being laid.

## Shaftesbury lifts value

SHAFTESBURY, the property company that owns a large part of London's Chinatown and Covent Garden, lifted net asset value to 193p a share from 162p in the year to September 30. The company reported pre-tax profits of £7.05 million before disposals, up from £5.33 million in the previous year. The disposal of non-core assets raised £2.12 million (£578,000). Adjusted earnings were 6.76p a share (4.73p). The total dividend is 2.5p a share (2.25p), with a final 1.05p.

DESTINATIONS. COUNTRIES. (AND YOU THINK YOU TRAVEL A LOT.)

Lufthansa UNITED AIRLINES N/A AIR CANADA VARIG

STAR ALLIANCE The airline network for Earth.



[illegible][illegible][illegible]

# Let BT make it simple with Cellnet Business

## First.

For your first mobile phone bill audit,  
call BT on **Freefone 0800 800 800**.  
[www.bt.com/business](http://www.bt.com/business)

**BT** 

[illegible]



**TRADING PERIOD:** Settlement takes place five business days after the day of trade. Changes are calculated on the previous days' close, but adjustments are made when a stock is ex-dividend. Changes, yields and price/earnings ratios are based on middle prices.

**TRADING PERIOD:** Settlement takes place five business days after the day of trade. Changes are calculated on the previous days' close, but adjustments are made when a stock is ex-dividend. Changes, yields and price/earnings ratios are based on middle prices.

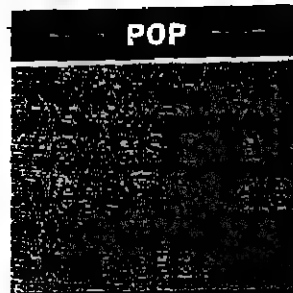
[illegible]





MUSIC  
Huddersfield  
hears the new  
Steve Reich  
PAGE 35

# THE TIMES ARTS



## Once upon a time in New York

Three thousand miles from their base at Waterloo, actors from the Young Vic have taken up residence at the New Vic. The already impressive British presence on Broadway — Sam Mendes's productions of *Cabaret* and *The Blue Room*, Zoë Wanamaker in *Electra* — expanded ten days ago when the Young Vic company opened its six-week run of *Grimm Tales* at the New Victory, New York's first theatre for children.

Seven stories, including *Ashputtel* and *Little Red Cap*, adapted by the poet Carol Ann Duffy and directed by Tim Supple, have been taken from the Young Vic's 1994 and 1997 Christmas shows, *Grimm Tales* and *More Grimm Tales*. More than 60,000 people saw those productions in Britain, and Supple was acclaimed for fluid, inventive and visceral staging that scared and delighted children without ever patronising them, and provided rich entertainment for adults.

American critics have also warmed to his approach, with Clive Barnes of the *New York Post* praising "one of the best of all Christmas shows", and *Grimm Tales* is selling out. The events which explain the Young Vic's presence in a magnificently restored venue on 42nd Street, rather than in some off-Broadway studio, are not quite fairytale material, perhaps, but still involve an improbable transformation.

In the 1980s, the New Vic was home to a very different brand of entertainment: hardcore porn films. Built by Oscar Hammerstein II in 1900 to present "all that is best in dramatic and lyric art", with a stage once graced by Mary

In what was once a porn cinema, a children's theatre is doing great box office. Daniel Rosenthal reports

Pickford and Lillian Gish, this bijou theatre had become a symbol of West 42nd Street's decline: glamour and talented performers replaced by sleaze and smalltime crooks.

"When the New Vic's future was first discussed, there were drug dealers on 42nd Street who used to keep office hours on the pay phones," recalls Cora Cahán, president of New 42nd Street Inc, the non-profit organisation which owns the New Vic and six neighbouring theatres. "No parent would have wanted to bring their children here."

After 17 years as executive director of the Elliot Feld dance company, Cahán was appointed in 1990 when the 42nd Street Development Project, an immense city and state scheme to clean up and revitalise the area, began to take off.

New 42nd Street Inc took on the running of the New Vic and chose to focus on family entertainment. "The companies that were doing plays for kids in New York were not of a high standard," says Cahán. "We asked ourselves, how can New York call itself a cultural capital and yet not have a theatre for the young?"

The board voted to create a presenting house "as dignified as any other Broadway programme, which covers circus acts, puppetry, drama, dance

that would reflect as many cultures as New York itself. In return for permission to build four office towers at the corner of 42nd Street and Seventh Avenue, the Development Project secured the promise of an \$18.2 million contribution from a private property company for the restoration of two theatres for non-profit use. As a result, the 17-month, \$11.4 million renovation of the New Vic did not require a cent of public money.

The intimate, 500-seat auditorium reopened in December 1995, with steeply raked stalls and two balconies, crowned by a large dome with eight pairs of cherubs around its rim.

While the majority of non-profit American theatres must, says Cahán, "teeter-totter on a two-legged stool of sponsorship and box-office revenue", the New Vic has a stabilising third leg: rental income from the New 42nd Street Inc's commercial tenants. Roughly half of its annual \$4.6 million budget comes from tenants, a quarter from box office and a quarter from fund-raising. That enables the board to maintain an affordable range of seat prices: from \$6 to \$25.

After three years, the national and international programme, which covers circus acts, puppetry, drama, dance

and educational work, is proving a huge success. "We are averaging 95 per cent attendance and all matinees are sold out until May," says Cahán. "Two thousand kids from [state] schools will see *Grimm Tales* for \$2 each or less. While drama has been pretty much expunged from the US curriculum, we are building Broadway's future audience."

Supple, who flew back to London this week for tonight's opening of the Young Vic's latest story-telling production, *Arabian Nights*, directed by Dominic Cooke, says: "The New Vic has really got it right in terms of the attitude of the staff, especially the ushers. It's a lovely environment for kids."

When two major construction projects on its block are completed next year, the New Vic will have a glorious opportunity to bring its programme to the attention of tens of thousands more parents, who will pass the theatre on their way to two "megaplex" cinemas and the new Madame Tussaud's Wax Museum.

The extraordinary nature of the New Vic's location strikes you most forcibly when you walk out of *Grimm Tales* and find yourself opposite the New Amsterdam Theatre, home to Disney's *The Lion King*. For the New Vic, theatre for children means \$6 seats and the pared-down, transparent illusion of *Grimm Tales*; for Disney, seats at up to \$80 and state-of-the-art technical wizardry. Kids are flocking to enjoy theatrical opposites on the same rejuvenated block — now that is a strange tale. *Arabian Nights* is at the Young Vic (011-422 6333)



Miracle on 42nd Street: a packed and youthful audience at the New Victory, New York's first theatre for children

By flexing its new playwrighting muscles, the Royal Court is making a mockery of establishments which feel they have to flaunt a star (preferably nude), or at least a star writer, to make an impact. Its latest festival of new plays by writers in their teens and twenties parades an embarrassment of raw talent. But at four hours and 20 minutes the first instalment — two shorts attached to two fully fledged plays — is simply an insane amount to ingest at one sitting.

There is an unevenness about some of the writing, particularly in the shorts. Ranjit Khutani's *B22*, about two Asian youths who meet on a park bench in Birmingham years after they've grown apart, is little more than a twinge of nostalgia. Ruwanthi De Chickera's *The Crutch* is a sour, lopsided piece about a crippled sadistic white bastard who thumps his colostomy bag and shouts at his hapless, desperate wife.

But there is no lack of endeavour or quality in the performances, notably in Ed Hime's *About The Boy*, a fabulous black comedy about two brothers and

## Too much of a good thing

Trev has nightmares about recycling faces that he sees on station platforms to find one that might make sense of his own life, his maudlin father, Nev, and brother Kevin (Alex Palmer) conspire to make a hash of their own relationships, and subsequently their home life.

It is bitterly funny, and perhaps not best served by being in close proximity to Christopher Shinn's eerily assured play, *Four*, directed by Richard Wilson. Here the pride of being American, black, literate and successful on the Fourth of July is spookily undermined by Joseph Mydell's family man, Joe, who, rather than being at home with his daughter and sick wife, picks up a rent boy he meets on the Internet. It is what the performers, particularly Fraser Ayres's stilted Dexter, find in the creases of Shinn's measured play that make it such a compellingly dark spectacle. If there's a theme to this disparate batch of writers, it is the emotionally needy. What all the plays really need, however, is more air.

JAMES CHRISTOPHER

The title given to an earlier version of this ambitious, mostly enjoyable musical was *Yusupov*, and the change is a wise one because, while everyone has heard of the mad monk with the hypnotic eyes and probably knows he ended up being killed, the name of his killer trips off few tongues. Prince Felix Yusupov is the man in question, and he is at the heart of the plot and his

## Mad but not bad



Meredith Braun and Hal Fowler in a new British musical

heart-searchings form the core of the music. When first met he is performing as a transvestite singer in a St Petersburg nightclub, luring Prince Dimitri Romanov, his eventual co-conspirator, away from Princess Irina Romanov, the young girl who will one day become Yusupov's wife. Crowned in crimson and peering down his high-born, high-boned nose at the young couple, he unnervingly resembles Kit Hesketh-Harvey himself, writer of the lyrics. In one of his drag roles.

He turns out to be Hal Fowler, in witty command of the sexual ambiguities of his role, who proceeds to sing his coarsely world-weary num-

bers almost under his breath. Hesketh-Harvey and his co-writer on the book, Stephen Clark, present what follows as a pattern of dichotomies, the blessed mirroring of the damned, the noble reflecting the degenerate, Yusupov and Rasputin bound together in some Faustian pact that climaxes in the famous action where, as Wilde didn't quite

put it, the brave man kills the one he loved. Around the edges of their relationship the mob clamours for bread, Gay Soper's Tsarina grieves for her haemophilic son, and a sexually equivocal MC deliberately echoes *Cabaret* to remind us that this too is a society in upheaval, though the victors will come from the opposite end of the

political spectrum. Leigh McDonald's MC even sings a cabaret song, attacking the German-born Tsarina, in which, with typical Hesketh-Harvey adroitness, Kaiser and adviser are rhymed with *Schüsse*. Directed by Ian Brown on a simple stage (design by Peter McKintosh) of low black steps strongly backlit, too much is going on for the show's good. In particular, Yusupov's developing love for Irina is never convincingly integrated, although it is presumably intended to signal decency emerging from indecency while Rasputin goes the other way. But *We Can Love* is the agitated song expressing Yusupov's self-questioning, but it turns into a love ballad for the sadly characterless Irina (Meredith Braun) where the tinkling notes reminded me of the *Chambermaid* I used to play on the family piano. But James McConnell also writes impressive music, and in his *Kyrie*, where Jerome Pradon's strong Rasputin mesmerises the crowd with his stare, scolding voice and movements, the music clambers up the scale using every available semitone to reach the summit. Rasputin's death struggles are grimly exciting, and there is quality enough here to give at least two cheers for a new British musical.

JEREMY KINGSTON

## AN EXCLUSIVE OFFER THE TIMES

### Christmas CDs—£1.98 each

Today *The Times* offers readers five exclusive Christmas CDs for only £1.98 each — and if you buy the set of five for £9.90 you receive a FREE CD of 12 traditional Christmas hymns and carols sung by St Paul's Cathedral Choir.

#### THE FIVE CDS ARE:

- Gregorian Christmas: Chants and Motets;
- Bach's Christmas Oratorio;
- Christmas Meditation;
- Christmas for Brass;
- Home for Christmas, a wonderful collection of the best from Bing Crosby, Frank Sinatra and Nat King Cole.

The prices include p&p to UK addresses. For Christmas delivery orders must be received by December 7; closing date is December 31, 1998.



FREE CD  
WHEN YOU BUY  
SET OF 5

#### TRACK LISTING: HOME FOR CHRISTMAS

Bing Crosby: *White Christmas*; *Silver Bells*; *Adeste Fideles*; *Silent Night*.  
Frank Sinatra: *The Christmas Song*; *Jingle Bells*; *Have Yourself a Merry Little Christmas*; *Hark! The Herald Angels Sing*; *I'll Be Home For Christmas*; *O Little Town of Bethlehem*; *The Christmas Waltz*.  
Nat King Cole: *Santa Claus is Coming to Town*; *O Tannenbaum*; *The First Noel*; *Caroling*; *Caroling*; *Joy to the World*; *O Holy Night*.

#### THE TIMES CHRISTMAS CDs ORDER FORM

PRODUCT	CODE	PRICE	QTY	TOTAL
Gregorian Chants	XC01	£1.98		
Bach: Christmas Oratorio	XC02	£1.98		
Christmas Meditation	XC03	£1.98		
Christmas for Brass	XC04	£1.98		
Home for Christmas: Sinatra, Crosby, Cole	XC05	£1.98		
All 5 CDs PLUS FREE CD - XC01/02/03/04/05/06				
St Paul's Cathedral Choir				£9.90
P&p in the UK incl. for other countries insert appropriate value in total column				
Republic of Ireland & EC	EUR01	£6		
Rest of the world	ROW01	£10		
<b>TOTAL</b>				£

I enclose a cheque/PO for £..... made payable to CD Ltd. Please write your name, address and cheque card number on the back of your cheque.  
Send to: The Times Christmas Collection, PO Box 1000, Newcastle upon Tyne X, NE95 2BS

Credit Card Payment Card number:   
Expiry date      
☐ MasterCard/Access ☐ Visa

Name on card   
Supply address of registered cardholder on a separate sheet of paper if different from left:  
  
Signature   
Please tick this box if you do not wish to receive further offers from The Times or other companies ☐ AD1202

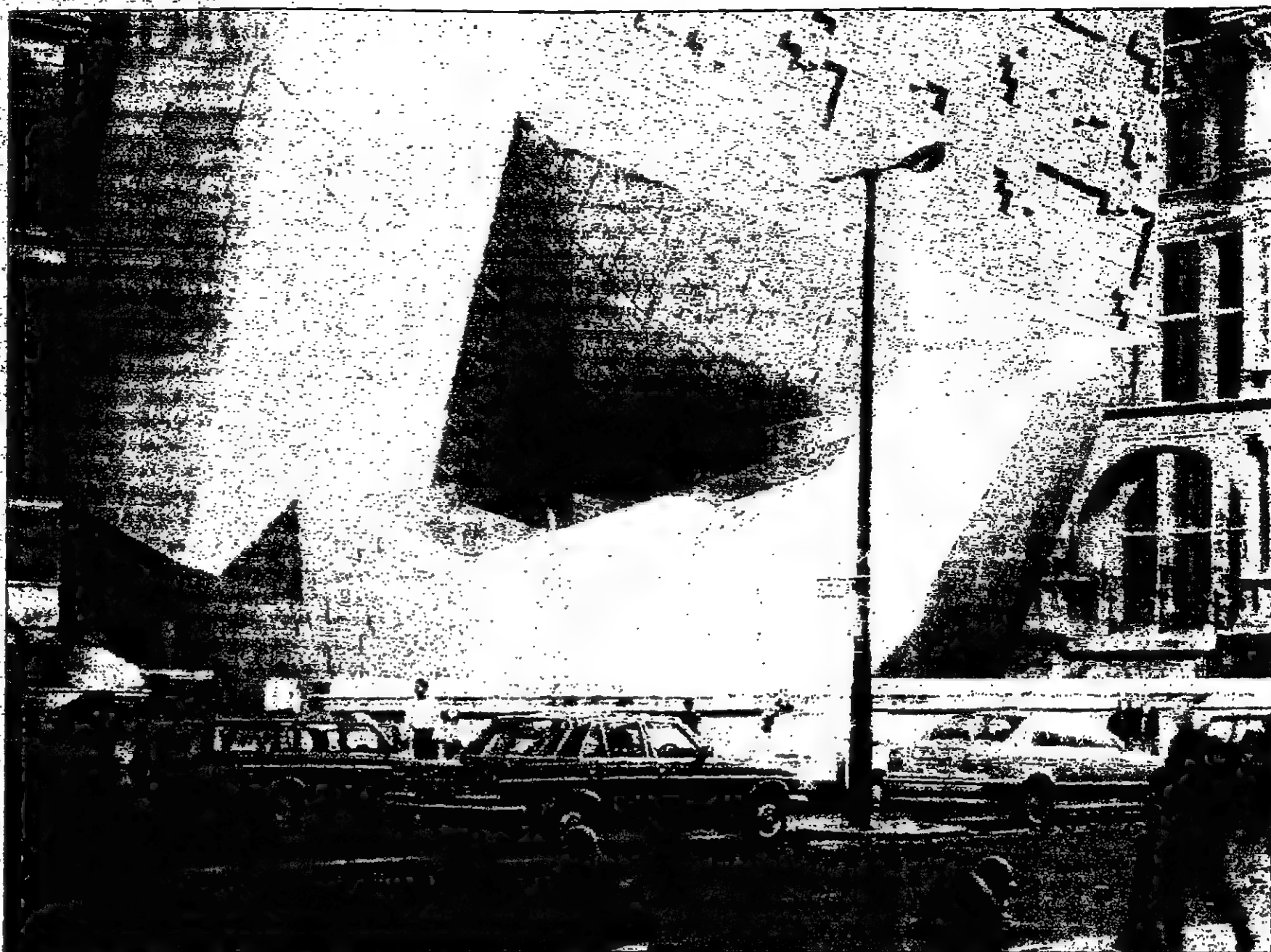
Mr/Mrs/Miss/Ms  Initials   
SUDY CANTALS PLEASE  
Surname   
Address   
Postcode  Day Tel



# How the Spiral will stand up



Origin of Spiral: The unwound spiral wall, about 500m long and 20m high, is laid in a strip across a patch of open field. Fractal filling (bottom, left) then wound up into the building shape (top, left) that will eventually become the starting V&A extension (right, as depicted in a computer-generated image).



Thanks to the "V&A Spiral", as the extraordinary proposal for the Victoria and Albert Museum's extension is generally known, the architect Daniel Libeskind is the talk of London. Yet half the credit is due to his engineering collaborator, Cecil Balmond.

Balmond is a mathematical genius, born and raised in Sri Lanka, who works at Ove Arup & Partners, the world's leading structural engineers. Some 33 years ago, it was Arup himself who showed Cecil Balmond's design for the Sydney Opera House could actually be built. Balmond has played that role at the V&A.

"Without Cecil, Daniel would not have known it would work structurally," says the architect's critic, Charles Jencks. "They came to my house. I saw them working on it together. You just can't say who held the pencil."

Jencks argues that the Spiral is one of ten paradigm-breaking buildings that will change the course of architecture. Frank Gehry's Guggenheim Museum in Bilbao is

one, of course. Others are Libeskind's Jewish Museum in Berlin, a Life conference hall by the Dutch architect Rem Koolhaas, Koolhaas's design for a Paris library, Jean Nouvel's Cartier Foundation in Paris and the new port building in Yokohama by Foreign Office Architects (no connection with Robin Cook). Balmond is involved in no fewer than five of these projects.

The 3-D cubism of the proposed V&A extension inevitably invites fibres about crumpled clothed by a spiral, the one thing it doesn't obviously resemble. The closest spiral, Balmond explains, revolves around a fixed centre, spiralling into ever wider orbits. At the V&A, he and Libeskind are seeking to use new geometries to express the cross-crossing of history.

Hence the idea of a spiral where the centre moves, the orbits jump. Balmond asks us to imagine drawing a circle and stopping at various points. Then we join up the points to make a polygon. Next we vary the radius and shift the centre



of the circle. This way we start to achieve angular forms.

The structural triumph of the V&A Spiral is that each floor can be configured as the architect wishes without intrusive columns or internal structural walls. The way one wall supports another is shown in a drawing by Balmond that portrays stresses moving down the building, with hotspots highlighted in white and red. Balmond's mastery of geometry is also shown in the tiles

**Marcus Binney meets Cecil Balmond (left), the engineering genius behind Daniel Libeskind's extraordinary V&A extension**

that will clothe the spiral. These are not a repeating pattern; instead the walls are clad in three tile shapes. The pattern never repeats but they always dovetail.

Though Balmond is into free flow, he rejects the charge of arbitrariness. "I can draw a curve but as I'm an engineer I must find an inner reason for shapes that may not look rational." Here his brilliance as a mathematician guides him. He has written a book, *Num-*

*ber Nine* (a slim volume like Dava Sobel's bestseller, *Longitude*, tempting anyone who can do mental arithmetic to explore the world of numbers).

With the Dresden architect Peter Kulka, Balmond has won potentially his biggest commission yet: a proposed stadium for the European Athletic Championships in Chemnitz, Germany. Kulka felt that most stadiums were huge monoliths. He wanted a freer form. Balmond explains: "Usually a stadium is a series of concentric rings with parallel sides. The form is predictable in contrast to the fluid and random energies of the game itself."

Their first move was to take the three concentric ovals of arena, seats and roof, and rotate them away from each other. Then Balmond went further. The masts supporting the roof became separate from the geometry of the stadium and the seats.

Today's high-tech engineers usually like the logic of a structure to be evident. Balmond by contrast is happy with a sense of mystery. "I label my work informal. When architects

want to be interesting, they copy nature. I've gone deeper."

He has studied proportions and ratios from Greek, Italian, even Hindu architecture.

"The Ancient Greeks had divine, arithmetic and geometric proportion," he says. "When you study their buildings you constantly find lively ratios."

He believes that computers are now allowing engineers to plot structures far more complex than ever before. "In the past you would have had to call a halt because of the time that was being absorbed. Today, seeking inspiration from turbulent patterns like water boiling in a kettle is a reality."

Now that Kensington Council has granted planning permission for the Spiral, the V&A is jubilant. The small question remains, of course, as to how the £70 million price tag will be met (it is equal to the \$100 million for the entire new museum at Bilbao). For most projects, lottery largesse is no longer available on this scale. But as Jencks says: "This is a seminal building. If the V&A doesn't build it, someone else will."

## Reich fails his epic theme

NEW MUSIC

Steve Reich and his wife, the video artist Beryl Korot, crossed the Atlantic on separate flights to present their video opera *Hindenburg* at the Huddersfield Contemporary Music Festival. I can understand why. Korot's visuals are sophisticated in technique, powerful in imagery. If only Reich's music were as effective.

Horrific though the original footage and photographs of the *Hindenburg* explosion are, Korot's treatment of them has a peculiar kind of beauty. Again — although the scene featuring the election of General Hindenburg as the last president of the Weimar Republic and his appointment of Hitler as Chancellor does nothing more than add a superficial dimension of political correctness — the scene devoted to the construction of the Zeppelin is compiled with much visual wit. Presented like an uncommonly inspired website on a screen big enough to cover most of a wall in Huddersfield Town Hall, the video might have no meaningful ending, but it does have a poetic fascination about it.

The idea behind the collaboration seems to have been that Reich's score would pick up words and rhythms from the video and develop them as music which is both synchronised with the visuals and interesting in its own right. Disappointingly, even by his own minimalist standards, Reich's musical reactions are uninspired in quality and crude in technique. Ensemble Bash, the Smith Quartet and the voices of Synergy were all involved, under the direction of Nicholas Kok, yet nothing alluring, arresting or amusing emerged. The glaringly obvious allusion to the anvils of Nibelheim in the Zeppelin construction scene says it all.

Mellowness, incidentally, is not the same thing as maturity. The latter stage Carter reached at least as long as 50 years ago, when he wrote the Cello Sonata, performed here by the exceptionally well-adjusted duo of Rohan de Saram and Oppens.

GERALD LARNER

## Ten years of ringing in the new

**Hilary Finch joins in a contemporary music celebration in Birmingham**

Birmingham's "Winter-Val" festivities are about to be augmented by a premature dawn chorus. Next week a 30-minute solo from a reed warbler and an exaltation of *Oscillator Exotiques* will emanate from the city's latest performance venue, yet another newly restored red-brick warehouse rising from the canal basin.

Birmingham Contemporary Music Group is to blame; but then it has a lot to celebrate. The composer George Benjamin will be conducting the avian Messiah, some Boulez, and his own *At First Light* as part of the extended tenth birthday party of an ensemble which is both progeny and emblem of the city's remarkable cultural renaissance.

During the past decade the BCMG, formed by players of the City of Birmingham Symphony Orchestra, has commissioned and performed 35 new works, collaborated with opera and ballet companies, shared gigs with jazz musicians, and scooped any number of recording and performance awards. The real prize, though, are the CBSO Centre, a purpose-built 300-seat space; and a new music director in Thomas Adès, probably the country's most highly ranked young composer, conductor and pianist.

The space — and space is the word — matches Birmingham's new Symphony Hall in



Birmingham Contemporary Music Group, both on a coach one night when CBSO players "started to think all over again about the excitement of new music"

being based on acoustician Russell Johnson's favourite shoebox-with-galleries model. Sandy bricks and blond pine bounce the sound high into the air, warming and analysing it at once. The galleries form two wraparound corridor-floors of office space, recording studios, instrument stores and library.

The BCMG itself came into being as a result of overflow. Just four years into Simon Rattle's reign, it became clear that there was a demand for far more contemporary music activity than could be contained within any one symphony orchestra. And as Simon Clugston, artistic director of BCMG, and until two years ago, a cellist in the CBSO,

points out: "Things can actually become destructive within an orchestra if you don't harness that enormous energy and direct it properly." One night, returning from Northampton after an inspiring performance of Beethoven's *Eroica*, a colleague of Clugston's pondered how much more extraordinary the very first performance of the symphony must have been. "We started to think all over again about the sheer excitement of new music. And we decided to form an ensemble."

Now, more than half of the CBSO has played with BCMG. In a constant frenzy of schedule juggling, the players are committed not only to The

*Series*, boasting at least ten events each season in the new centre, but to a touring programme within Birmingham and beyond.

Colin Matthews, whose own BCMG commission *Hidden Variables* has just survived a barn in Wantage and a school in Clebury Mortimer, Shropshire, says: "They're creating a repertoire. There's no other group that has played a piece of mine 20 times — and also taken up commissions other than their own and been known to play them three times in a day. To feel loved and wanted is, after all, every composer's dream."

One reason that dream can come true is the Arts Council's

New Audiences Fund; another is the National Lottery's Arts for Everyone scheme. But some of BCMG's new music has come into being without a penny from either source. One of the unique results of Clugston's compulsive lateral thinking is a scheme called *Sound Investment*. Any member of the public can buy a share in any new work-in-progress — a Sound Unit of £100, whose dividends include a note-by-note progress report; watching the work being moulded into life in rehearsal; and having your name inscribed for posterity in the published score.

There's not a unit left for the new works by Alastair Greig and Ben Sorensen to be pre-

miered on January 15, but a new portfolio is forthcoming. Some of the composers will be British; some will not. Some will already have a publisher; others will not. The concerts may happen at lunchtime, at 7.30pm, or at midnight. "We simply present music we believe in," says Clugston. "It communicates; audiences come. It's all about nothing being quite what it seems. And I like that."

The BCMG is conducted by George Benjamin in Messiah in his Century at 7.30pm on Dec 10 at the CBSO Centre, Berkley Street, Birmingham B1 2LF (0121-236 5022). Details of Sound Investments from the above address or from 0121-616 2616

ALMEIDA ISLINGTON

Ostravsky's passionate masterpiece

## The Storm

with a new version by Frank McGuinness

Until 19 December

The production magnificently reclaims a landmark play

Engrossing... powerful evening

0174-359 4404

AT&T



## LISTINGS

All change in Chicago

## ARTS

## RISING STARS

A jazz baby Dimbleby

## Nobody cooler than his kind

## RECOMMENDED TODAY

Guide to arts and entertainment compiled by James Christopher

## LONDON

**ANASIM NIGHTS:** As Babin, Boudier, and thousands of dastardly foes cut and slash their way through Dominic Cooke's Christmas show. Young Vic, SE1 (0171-628 6383). Tonight, 7pm. £5

**CHICAGO:** Maria Friedman injects new blood into the hit revival of Kander and Ebb's musical about murder and social reform. Adelphi, WC2 (0171-344 0055). Tonight, 7pm.

**CHORUS OF KINGS COLLEGE:** Cambridge. Stephen Dimbleby conducts the choir and English Chamber Orchestra in Britten's Requiem, and several of the most popular choral pieces including Pavesse, Cantique de Jean Racine, and Requiem. Barbican Hall (0171-638 8891). Tonight, 7.30pm. £5

**JAN GARBAREK GROUP:** The exotic soundscapes of this great Norwegian saxophonist are inspired by splashes of Afro-Caribbean colour, featuring Balkan melodies, and music from the Middle East and India. Festival Hall, SE1 (0171-980 4848). Tonight, 7.45pm. £5

**SPRINT OF THE TITANIC:** Three legendary names in rock music join one of the finest of the new breed. Folk singer Maddy Prior, guitarist John Renbourn, vocalist Jacqui McInnes, and keyboard player Kathryn Tickell discover the new. Queen Elizabeth Hall, SE1 (0171-980 4848). Tonight, 7.45pm. £5

**ELSEWHERE**  
**BRIMMINGHAM:** Jarvis Cocker, back in splendid form, leads the irrepressible Pulp on their first British tour for several years. NEC Arena (0121-780 4130). Tonight, 7.30pm. £5



Jarvis Cocker: all set to pulp Birmingham

four for several years. NEC Arena (0121-780 4130). Tonight, 7.30pm. £5

**CLASSICAL:** Dimbleby conducts violinist Alexander Barmine and the London Symphony Orchestra in Mendelssohn's Scherzo in G minor. Britten's Violin Concerto, and Elgar's Symphony No 1. Royal Concert Hall (0141-287 5611). Tonight, 7.30pm. £5

**PLYMOUTH:** Glyndeborne Touring Opera performs Handel's Rodelinda, directed by Jean-Marie Villégier, and conducted by Harry Bicket. USA Mine sings the title role. Theatre Royal (01752 357225). Tonight, 7pm. £5

## NEW WEST END SHOWS

Jeremy Kingston's choice of theatre showing in London  
House full, returns only. Some seats available. Seats at all prices.

**AMADUS:** David Suchet plays Salieri with the casting Michael Sheen as Mozart in Peter Hall's strongly cast and striking production of the Shaffer play. Old Vic, RT1 (0171-525 7710).

**IN LITTLE MALCOLM AND HIS STRUGGLE AGAINST THE ENGLISH:** Denis Lambert directs a cracking production of David Hare's play about a young man's play with Ewan McGregor as the wonderfully witty, dyspeptic Malcolm. Manchester, M13 (0121-752 5501).

**CHOICE:** Two programmes of four hour-long plays and short pieces by new writers in their teens and twenties for the Royal Court. Performed in different combinations on different nights. Ambassadors, WC2 (0171-565 5000). See review, page 34.

**INTO THE WOODS:** Sondheim's nightmarish musical has an intimate fairy tale. John Crowley directs this writer musical which starts strongly but ends in a delicate middle.

**DOCTOR WARHOL:** WC2 (0171-565 1732).

**THE INVENTION OF LOVE:** John Wood plays the aged A.E. Housman, leaving his early self in Tom Stoppard's glittering play. West End. Theatre Royal, Haymarket (0171-480 8800).

**KAPKA'S DICK:** Alan Bennett's very funny and satirical play, with Julie Walters, John Gielgud, and Eric Sykes. Staly's last production by the Palace Hall Co. Manchester, M13 (0121-752 5501).

**SALOME:** Emily Wool and Greg Hodge star in Michael Gorrison's impressive production of Wilde's tragic drama. Riverside Studios, W8 (0171-527 1111).

**STORM:** Luke Greenwell brings his own take on the Shakespearean storm to the British air too long away. Riverside Studios, W8 (0171-527 1111).

## FILMS ON GENERAL RELEASE

Geoff Brown's choice of the latest movies

## NEW RELEASES

**IF ONLY (15):** Wayward but endearing comedy about an actor granted another chance to succeed with his girlfriend. With Douglas Henshall and Lina Henshall. Directed by Mark Roper.

**THE NEGOTIATOR (15):** Police hostage negotiator takes hostage himself to prove his innocence. Overlooked suspense thriller, with Samuel L. Jackson and Kevin Spacey. Director, F Gary Gray.

**OUT OF SIGHT (15):** Escapist comedy George Clooney finds himself falling for the federal marshal (Jennifer Lopez) on his last day. Intense version of Elmore Leonard's novel. Director, Steven Soderbergh.

**THE PHILADELPHIA STORY (15):** Festival of MGM's delicious comedy about a socially awkward but comes unstruck. With Katherine Hepburn, Cary Grant and James Stewart.

**SUMS OF BEVERLY HILLS (15):** Uncouth, disapproving comedy about a chameleon-like Jewish family in Los Angeles. Tamar Jenkins directs an appealing cast.

**T-REX BACK TO THE CRETACEOUS (U):** 40-minute 3-D

feature, featuring unlightening, scabrous disquisitions, and an overly tedious plot. With Peter Hooton and Lina Henshall. Directed by Mark Roper.

**VICTORY (15):** Elaborately mounted but dull adaptation of Joseph Conrad's novel about a European mission in the Dutch East Indies. With William Dafoe, John Jacob and Sam Neill. Director, Mark Roper.

**THE WISDOM OF CRICKET:** John Wood plays the aged A.E. Housman, leaving his early self in Tom Stoppard's glittering play. West End. Theatre Royal, Haymarket (0171-480 8800).

**THE WISDOM OF CRICKET:** John Wood plays the aged A.E. Housman, leaving his early self in Tom Stoppard's glittering play. West End. Theatre Royal, Haymarket (0171-480 8800).

**RONIN (15):** Old-fashioned action thriller with Robert De Niro, Jean Reno and others, seeking to retrieve a mysterious briefcase. Director, John Dahl.

**THE BEL (18):** Showtime's idiosyncratic and humane drama about a man paralysed after serving time for murdering his wife.

**THE BEL (18):** Showtime's idiosyncratic and humane drama about a man paralysed after serving time for murdering his wife.

**D**an Penn's last show in London was in the backroom of a pub in Camden Town. This time round, the venue was slightly more suited to one of the kings of 1960s soul music. "When Dan agreed to do these shows," said Nick Lowe during his own set, "he asked, not unreasonably, 'Will Her Majesty be there?'"

The laughter which followed made it clear that Penn will never be mainstream enough for that kind of atten-



The quiff with the riff: Nick Lowe combined with Muscle Shoals legend Dan Penn to produce a superlative night of nostalgia in the West End

## POP

**Nick Lowe/Dan Penn**  
**Her Majesty's**

tion. However, as one of the key figures on the legendary Muscle Shoals scene, Penn wrote a series of R&B classics with which the Royal Balm might identify - *The Dark End of the Street*, *Do Right Woman*, *It Tears Me Up*, *Cry Like a Baby* and *Sweet Inspiration* were all written by him, some in collaboration with his old schoolfriend and keyboard player Spooner Oldham.

Armed with an acoustic guitar and with Oldham by his side, Penn opened with a stirring version of *I'm Your Puppet*, his stance and powerful voice bringing to mind Lowe's former father-in-law, Johnny Cash. Over the next 45 minutes, Penn showed how many great songs he has written and why his own renditions inspired the likes of Aretha Franklin to sing them even better in the studio.

In keeping with the mood of the evening, Lowe initially did a handful of numbers by himself. He showed, with a hard-hitting *Cruel to be Kind*, exact-

ly what it is possible to do with just a voice and a guitar. Then, after being joined by a three-piece band, he showed his full range from the stark, spangled western blues of *Faithless Lover* and the slick cocktail pop of *You Inspire Me* to the familiar sounds of *Croaking Up* - and even a new Penn song, *Dan's Holiday*.

Back for a second encore, the two men were joined by various guest stars for an inspired version of Arthur Alexander's *You Better Move On*, with Lowe and Penn trading vocals and joking aside. It was a classic end to a great evening.

ANN SCANLON

## Lightning strikes twice

**R**ead highwire stuff. No drums, no bass, no piano. Just two improvisers darting glances at each other as they wander across the bandstand.

Some admirers of Django Reinhardt's legacy may be disappointed to find that, in spite of its title, this meeting between Martin Taylor and Birrell Lagrene largely avoids note-for-note evocations of the golden days of the Hot Club. Both men have close ties with that pre-war style, Lagrene - part of the illustrious line of gypsy jazz musicians - began his career as a Reinhardt imitator, while Taylor has done so ever since he met with his mentor, the late Stephane Grappelli.

Their Soho repertoire is still rooted in the values of the swing era, a point that was obvious from opening choruses

yielded some particularly effective bass-like figures beneath Taylor's fluttering lines. The framework of Jerome Kern's *The Song Is You* prompted a particularly lush exchange of ideas, Lagrene at one point veering into a melody borrowed from *S Wonderful*.

Careful programming largely kept self-indulgence at bay. The one explicit reference to the Reinhardt songbook came in *Manoir de mes rêves*, a limp ballad in which both players resisted the temptation to over-embellish.

Halfway through, Lagrene left the stage to Taylor, who unfolded a delicious treatment of *Mona Lisa*. If he once had a weakness for gilding the lily, his approach remained gratifyingly direct here, trusting the song to tell its own story. He and Lagrene will be in residence until Saturday.

CLIVE DAVIS

of the old faithful, *Stompin' at the Savoy*, a number which served as a gentle warm-up exercise. But the players have the entire jazz guitar vocabulary at their finger-tips, including funky George Bensonisms on *Sunny*.

The danger in duets of this kind is that the players risk cancelling each other out - that happened a couple of years ago when Taylor linked up with Joe Pass at the Glasgow Festival. But here the interweaving of voices proved far more distinct, Taylor leaning much more towards the acoustic end of the spectrum while Lagrene preferred heavier, percussive textures which

yielded some particularly effective bass-like figures beneath Taylor's fluttering lines. The framework of Jerome Kern's *The Song Is You* prompted a particularly lush exchange of ideas, Lagrene at one point veering into a melody borrowed from *S Wonderful*.

Careful programming largely kept self-indulgence at bay. The one explicit reference to the Reinhardt songbook came in *Manoir de mes rêves*, a limp ballad in which both players resisted the temptation to over-embellish.

Halfway through, Lagrene left the stage to Taylor, who unfolded a delicious treatment of *Mona Lisa*. If he once had a weakness for gilding the lily, his approach remained gratifyingly direct here, trusting the song to tell its own story. He and Lagrene will be in residence until Saturday.

CLIVE DAVIS

of the old faithful, *Stompin' at the Savoy*, a number which served as a gentle warm-up exercise. But the players have the entire jazz guitar vocabulary at their finger-tips, including funky George Bensonisms on *Sunny*.

The danger in duets of this kind is that the players risk cancelling each other out - that happened a couple of years ago when Taylor linked up with Joe Pass at the Glasgow Festival. But here the interweaving of voices proved far more distinct, Taylor leaning much more towards the acoustic end of the spectrum while Lagrene preferred heavier, percussive textures which

yielded some particularly effective bass-like figures beneath Taylor's fluttering lines. The framework of Jerome Kern's *The Song Is You* prompted a particularly lush exchange of ideas, Lagrene at one point veering into a melody borrowed from *S Wonderful*.

Careful programming largely kept self-indulgence at bay. The one explicit reference to the Reinhardt songbook came in *Manoir de mes rêves*, a limp ballad in which both players resisted the temptation to over-embellish.

Halfway through, Lagrene left the stage to Taylor, who unfolded a delicious treatment of *Mona Lisa*. If he once had a weakness for gilding the lily, his approach remained gratifyingly direct here, trusting the song to tell its own story. He and Lagrene will be in residence until Saturday.

CLIVE DAVIS

of the old faithful, *Stompin' at the Savoy*, a number which served as a gentle warm-up exercise. But the players have the entire jazz guitar vocabulary at their finger-tips, including funky George Bensonisms on *Sunny*.

The danger in duets of this kind is that the players risk cancelling each other out - that happened a couple of years ago when Taylor linked up with Joe Pass at the Glasgow Festival. But here the interweaving of voices proved far more distinct, Taylor leaning much more towards the acoustic end of the spectrum while Lagrene preferred heavier, percussive textures which

yielded some particularly effective bass-like figures beneath Taylor's fluttering lines. The framework of Jerome Kern's *The Song Is You* prompted a particularly lush exchange of ideas, Lagrene at one point veering into a melody borrowed from *S Wonderful*.

Careful programming largely kept self-indulgence at bay. The one explicit reference to the Reinhardt songbook came in *Manoir de mes rêves*, a limp ballad in which both players resisted the temptation to over-embellish.

Halfway through, Lagrene left the stage to Taylor, who unfolded a delicious treatment of *Mona Lisa*. If he once had a weakness for gilding the lily, his approach remained gratifyingly direct here, trusting the song to tell its own story. He and Lagrene will be in residence until Saturday.

CLIVE DAVIS

of the old faithful, *Stompin' at the Savoy*, a number which served as a gentle warm-up exercise. But the players have the entire jazz guitar vocabulary at their finger-tips, including funky George Bensonisms on *Sunny*.

The danger in duets of this kind is that the players risk cancelling each other out - that happened a couple of years ago when Taylor linked up with Joe Pass at the Glasgow Festival. But here the interweaving of voices proved far more distinct, Taylor leaning much more towards the acoustic end of the spectrum while Lagrene preferred heavier, percussive textures which

yielded some particularly effective bass-like figures beneath Taylor's fluttering lines. The framework of Jerome Kern's *The Song Is You* prompted a particularly lush exchange of ideas, Lagrene at one point veering into a melody borrowed from *S Wonderful*.

Careful programming largely kept self-indulgence at bay. The one explicit reference to the Reinhardt songbook came in *Manoir de mes rêves*, a limp ballad in which both players resisted the temptation to over-embellish.

Halfway through, Lagrene left the stage to Taylor, who unfolded a delicious treatment of *Mona Lisa*. If he once had a weakness for gilding the lily, his approach remained gratifyingly direct here, trusting the song to tell its own story. He and Lagrene will be in residence until Saturday.

CLIVE DAVIS

of the old faithful, *Stompin' at the Savoy*, a number which served as a gentle warm-up exercise. But the players have the entire jazz guitar vocabulary at their finger-tips, including funky George Bensonisms on *Sunny*.

The danger in duets of this kind is that the players risk cancelling each other out - that happened a couple of years ago when Taylor linked up with Joe Pass at the Glasgow Festival. But here the interweaving of voices proved far more distinct, Taylor leaning much more towards the acoustic end of the spectrum while Lagrene preferred heavier, percussive textures which

yielded some particularly effective bass-like figures beneath Taylor's fluttering lines. The framework of Jerome Kern's *The Song Is You* prompted a particularly lush exchange of ideas, Lagrene at one point veering into a melody borrowed from *S Wonderful*.

Careful programming largely kept self-indulgence at bay. The one explicit reference to the Reinhardt songbook came in *Manoir de mes rêves*, a limp ballad in which both players resisted the temptation to over-embellish.

Halfway through, Lagrene left the stage to Taylor, who unfolded a delicious treatment of *Mona Lisa*. If he once had a weakness for gilding the lily, his approach remained gratifyingly direct here, trusting the song to tell its own story. He and Lagrene will be in residence until Saturday.

CLIVE DAVIS

## GREAT BRITISH HOPES

Rising stars in the arts firmament

**KATE DIMBLEBY**

Age: 21

Profession: Jazz-blues singer. She appears at the Parcell Room on Monday, and has a Sunday evening slot at the Café Royal's Green Room for the next three weeks.

Not another instalment of the Dimbleby masterplan for world domination? Well, she is the daughter of broadcaster David and cookery writer Joceline. But she has attracted high praise from singer Marion Montgomery, always a shrewd judge of talent. "Ma Rainey and Bessie Smith with a 1990s feel."

So she's never had the urge to present her own current affairs show? No, music has always been a passion. "Growing up I listened to a mixture of Pats Waller and 1970s soul groups like the Average White Band." She originally thought of pursuing a career on the oboe before turning to singing. While studying English at Birmingham University, she notched up appearances at local clubs, including the Mid-

lands outpost of Ronnie Scott's.

Which female singer first inspired her to enter the business? "Nina Simone. I love her intensity and her blues feeling."

Does she have the same unorthodox leanings? Yes, the tide track of her debut album for the Black Box label, *Good Vibrations*, is a funky take on the Beach Boys clas-

sic. Apart from Peggy Lee's *Paper Moon*, she also covers Elvis Costello's *Almost Blue*.

So where does she fit in the jazz-cabaret spectrum? "I suppose I straddle the two. I've just come back from my first gig in New York. I loved it there, partly because both scenes are thriving. In London cabarets are looked down on as an inferior form. When I've played the Regency Rooms I've found the place full of people who don't want to go out clubbing any more, but can't find places where they can sit and listen to music. They find jazz clubs a bit intimidating too."

Meanwhile she's honing her songwriting skills. "I'd love to record an album of my own songs one day."

CLIVE DAVIS

lands outpost of Ronnie Scott's.

Which female singer first inspired her to enter the business? "Nina Simone. I love her intensity and her blues feeling."

Does she have the same unorthodox leanings? Yes, the tide track of her debut album for the Black Box label, *Good Vibrations*, is a funky take on the Beach Boys clas-

sic. Apart from Peggy Lee's *Paper Moon*, she also covers Elvis Costello's *Almost Blue*.

So where does she fit in the jazz-cabaret spectrum? "I suppose I straddle the two. I've just come back from my first gig in New York. I loved it there, partly because both scenes are thriving. In London cabarets are looked down on as an inferior form. When I've played the Regency Rooms I've found the place full of people who don't want to go out clubbing any more, but can't find places where they can sit and listen to music. They find jazz clubs a bit intimidating too."

Meanwhile she's honing her songwriting skills. "I'd love to record an album of my own songs one day."

CLIVE DAVIS

lands outpost of Ronnie Scott's.

Which female singer first inspired her to enter the business? "Nina Simone. I love her intensity and her blues feeling."

Does she have the same unorthodox leanings? Yes, the tide track of her debut album for the Black Box label, *Good Vibrations*, is a funky take on the Beach Boys clas-

sic. Apart from Peggy Lee's *Paper Moon*, she also covers Elvis Costello's *Almost Blue*.

So where does she fit in the jazz-cabaret spectrum? "I suppose I straddle the two. I've just come back from my first gig in New York. I loved it there, partly because both scenes are thriving. In London cabarets are looked down on as an inferior form. When I've played the Regency Rooms I've found the place full of people who don't want to go out clubbing any more, but can't find places where they can sit and listen to music. They find jazz clubs a bit intimidating too."

Meanwhile she's honing her songwriting skills. "I'd love to record an album of my own songs one day."

CLIVE DAVIS

## ART GALLERIES

**FAREWELL TO MOTOCROSS** by Ian and Gordon. Exhibition. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## OPERA &amp; BALLET

**COUSINS** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144

## THEATRES

**THE NUTCRACKER** 0171 632 0000 (40) ENGLISH NATIONAL OPERA. 100 New 101 Old. 1998. Michael Parkes Gallery. 11, Macclesfield St. SW1 2NS 0144



# The invisible renaissance on the Mersey

Why are the media ignoring an inner-city boom in Liverpool, asks Rachel Kelly, who points to great lofts and even better nightclubs

Readers are revolting. Why is it that so much property writers' ink is split on the urban regeneration of Manchester and London, but hardly a mention is made of Liverpool?

This is the question posed by Richard Mawdsley, a Liverpoolian loft-dweller who lives at Concert Square in Fleet Street. His was one of the first disused inner-city buildings to be converted. The shell of a Victorian chemical factory became 30 loft flats in 1995, thanks to the developers Urban Splash, but other schemes are advancing quickly.

The Beetham Organisation is behind three schemes in the city's financial area, and next year will convert Wilberforce House, a large Sixties office block.

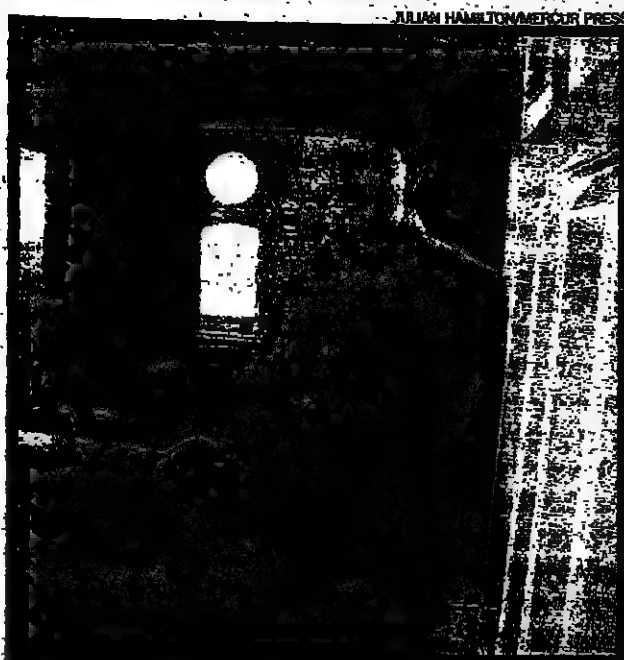
Urban Splash is now working on other schemes, including The Tea Factory — which will comprise residential, arts and leisure under one roof — and a site in Manchester Street. The company is also constructing 95 flats at the Collegiate building.

The development firm David McGarr is also active at the moment.

A bemused Mr Mawdsley says: "I want to point out that inner-city living is happening elsewhere, not just in London and Manchester, and it is helping to change the image of Liverpool into a desirable place to live and work."

"I bought a book and it had a picture of my flat, which said the flat was in Smithfield, Camden, typical of London boroughs."

So the city once infamous for its graffiti and the 1981 Toxteth riots, run-down buildings and inner-city deprivation is changing. There is a good deal more to be optimistic about



A loft in space. Andrew McKechnie, left, bought his flat in Liverpool's Albert Square, above, partly because it offers him easy access to great nightlife

than just a young soccer hero called Michael Owen. Developers, planners and estate agents all talk of an urban renaissance which has seen young people return to the city centre.

Leigh Boinny, of Liverpool City Council, believes the regeneration is partly driven by the injection of 45,000 students who now reside in Liverpool. This summer saw the first graduates of the Liverpool Institute of Performing Arts, the city's third university, which opened three years ago.

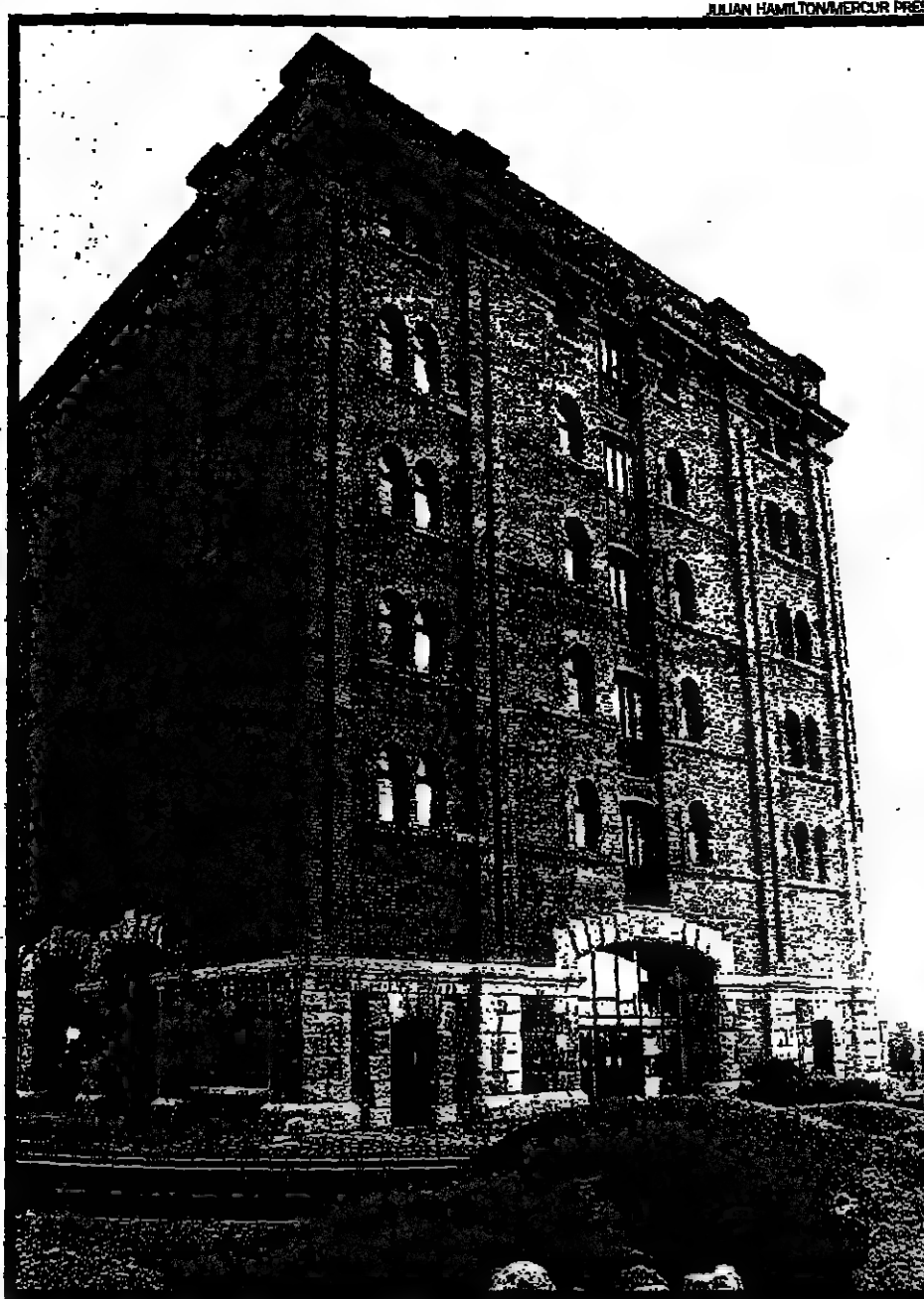
Then there is the flourishing nightlife, heralded by the internationally renowned club Cream. Liverpoolians consider their home to be a 24-hour city with many central pubs and clubs open until dawn, says Joanne Chason, general secretary of the Liverpool University Guild. Popular venues in-

clude bars such as Labinsky's and the Met Bar, and clubs such as La Bateau and the Cavern.

"Liverpool's image has discouraged people in the past. But now we are getting our act together and attracting people from the South and abroad," says Mr Bunney.

Jonathan Fellingham, an architect at Urban Splash, says that when the project went on sale everything was virtually sold in about three weeks. "So we've obviously hit a nerve," he says.

But he is keen to stress that these projects are not aimed just at those in their twenties and early thirties. Indeed, families are not uncommon in Urban Splash buildings, as well as older buyers who want to re-settle away from the suburbs. Urban Splash: 0151 707 1493. Beetham Properties: 0151 476 6666.



ONE look at the ceiling and you can tell this is in an old building," says Andrew McKechnie of his loft flat in Liverpool's Albert Square, above, partly because it offers him easy access to great nightlife

McKechnie observes: "On Friday night it's like Ibiza, it's heaven." Having lived in the city all his life, he is excited by the regeneration: "Wherever you go up and down the dockland there are projects making old buildings useful for a new generation."

Mr McKechnie's flat is built on two levels. On the first is the main bedroom with an en-suite bathroom. Downstairs is a sitting room and dining area, with a second bedroom positioned under the first. There is also a second bathroom, a fitted kitchen and utility room.

Mr McKechnie believes the success of the Liverpool music scene has helped the city's profile. Well-known bands such as Cast and Space have injected new life into the pop culture scene.

And the large influx of students has further helped to revitalise the city. "The old animosity to students has evaporated," he says. "Students have been embraced because people realise now that they can make a lot of money out of them. A lot of people are introduced to the city through university, they like the life and stay."

## Leasehold proposals under fire

The new consultation paper may do little to improve a flawed system, writes Ben Wakeham

LAST week's consultation paper proposing a fairer deal for leaseholders has been only partially welcomed by the Leasehold Advisory Group, set up to help both leaseholders and landlords. It said the paper pruned, not uprooted, the existing legislation.

Hilary Armstrong, the Housing Minister, says: "The leasehold system is flawed to its roots. We want something fair, workable and durable."

She believes that by launching a consultation paper which could lead to legislation, the Government is determined to give leaseholders the same security as homeowners.

Michael Tims, from the Leasehold Advisory Group, says: "The proposals appear radical in their scope. However, for a review postponed several times, the results are disappointing. Despite headlines to the contrary, the paper's detailed proposals are really tinkering with the old process."

He says the consultation paper recognises that landlords' charges are disproportionately high compared with the purchase price, but offers no solution. Nor does it address the need for leaseholders to pay genuinely disputed service charges on completion of the freehold purchase. One way to mitigate this would be to give leaseholders a right to complete if they first make an application to the Leasehold Valuation

Tribunal to resolve a service charge dispute.

Joan South, of the Leasehold Enfranchisement Association, says: "The consultation paper is inexplicably biased towards the retention of the system and the continuation of the powers and privileges given to the landlords. Nothing in the Government's proposals does anything to make enfranchisement easier, and this lack of concern has to be seen in the context of the existing provisions having ground to a halt."

Ms South's concerns are given added weight by the obvious approval of Richard Lambert, of the British Property Federation, which represents landlords. Mr Lambert says: "We are delighted that the Government has recognised the consensus that exists across the leasehold sector that the law needs to be reformed and rationalised. We welcome the broad thrust of many of the proposals."

"The Government has acknowledged the valuation concept and it cannot be wished away by legislative fiat or any other means. The important point is to ensure that it is fairly apportioned and is not used improperly as a means to block the enfranchisement or lease extension process."

● The Leasehold Advisory Group 0171-409 2233. The British Property Federation 0171-823 0111. The Leasehold Enfranchisement Association 0171-935 1666.

These ideas are just tinkering with the process

## Listed terrace moves out of the danger zone

Historic houses once on the at-risk register are being restored. Eve-Ann Prentice reports

A house with a past — in notorious as well as historic terms — has been rescued to face the future in a secure family setting. The house is part of a Georgian terrace in Central London which now faces such a rosy future that English Heritage is to take the buildings off the at-risk register.

The terrace is where Benjamin Franklin and the German metaphysical poet Heinrich Heine once lived, and where women of ill-repute were known to ply their trade during the last century.

Now, after spending most of this century as offices and almost 20 years standing empty, one of the Grade II listed Georgian buildings in the terrace has had its reputation restored by being turned into a stately family home once more.

For a house that stands in the Trafalgar Square conservation area, just yards from where the Thames sweeps round from Blackfriars towards Westminster, 32 Craven Street is probably quieter than many homes in suburbia.

Even if the 1730's wood panelling were not there to insulate some of the noise, the road outside is effectively a cul-de-sac, shielded by five and six-storey buildings from the traffic bedlam of Northumberland Avenue and the Embankment.

The seven-bedroom, five-bathroom house is now available to buy for £1.5 million, or to rent, furnished, at £2,000 a week.

Craven Street is described by English Heritage as "one of the most complete terraces of that age, surviving despite traumatic episodes in its past".

David Morgan, Historic Buildings Inspector for English Heritage, says: "These houses were going to be demolished before the First World War after years of precarious existence as seamy hotels."

"They were sinking into dereliction and had suffered fires and water damage. In the late Eighties, planning permission

was granted to enlarge office space in the terrace. Thankfully, according to English Heritage, the recession of the early 1990s put paid to that scheme.

Although four houses and ten flats are being restored to their former glory, No 32 is the first to be completed. The house, which has taken a year to renovate, has the best of both worlds — of the past and present.

While the main rooms, clad in rosewood panelling, feel like something out of one of the better television costume dramas, the kitchens and bathrooms are marble-surfaced tributes to present-day comforts.

When Heinrich Heine lived in No 32, he complained that there was no fire and that he felt "very peevish and ill to boot".

Today, period fireplaces and discreet gas central heating means that no one need feel cold.

Rich tassled curtains have been hung at the windows and fine carpets laid. A huge, white, vaulted basement with an en-suite shower room, would make a stylish gym, suggest the estate agents, Bushells, who are handling the sale or letting.

In another reminder of ancient meeting modern, entry video phones provide security, while a working dumb waiter stands in mute testimony to the servants who have catered for past residents.

"They have tried to get the detailing right," says Mr Morgan. "The effect is one we should all applaud. On completion we will take these buildings off the at-risk register."

Two flats are also ready to be let in the terrace: a one-bedroom at £375 a week, and a three-bedroom at £500 a week. Meanwhile, the house where Benjamin Franklin lived, No 36, has been taken over by a charitable trust, which is turning it into a museum to the statesman and inventor.

● Bushells: 0171-731 2808



Retirement investment Terry Penrose at his holiday home in Wells-next-the-Sea in Norfolk which he lets to holidaymakers during the summer

## Tax fear on holiday homes

Part-time landlords often get a better return in a building society. Judith Patten reports

Second homeowners are nervous. Earlier this year there were rumours that the Government might withdraw the 50 per cent reduction on council tax on second homes, or even impose a surcharge. This has concerned not so much the weekenders who are wealthy enough to own a second home for their own use, but second homeowners who have bought a holiday house to provide some income in their retirement.

Owners such as Terry Penrose, 64, who thought that having a holiday cottage, available for letting 20 weeks a year, would provide income for his retirement. He says: "I am not a wealthy man. I have only one holiday cottage, bought to use during my retirement."

He bought his modern bungalow in Wells-next-the-Sea, Norfolk, for £30,000. Estimates now put the value of the two-bedroom bungalow at between £65,000 and £70,000. Well furnished, with a secluded rear garden in a quiet residential neighbourhood just ten minutes' walk from the centre of the seaside town, it is fully double-glazed, carpeted and centrally heated and is available for letting at various dates between May and October.

The kitchen boasts all the appliances that are needed in a home-from-home — gas cooker, fridge, freezer, microwave and washing machine. Gas and electricity are included in the rental

price, as is all bed linen and the use of garden furniture — recliners, tables, chairs and a barbecue.

He takes a keen interest in the holidaymakers who use his home, phoning to make sure that they have settled in well and believing that people will use a well-furnished home as they would their own — which has proved true most of the time.

He has had a couple of bad tenants, but mainly he has had splendid tenants since he first started letting the bungalow in 1993. He says: "I have made new friends, met some lovely people and greatly extended my Christmas card list."

One of the financial shocks with which Mr Penrose has had to contend was the introduction of the European fire regulations (January 1997) which meant that any furniture not bearing the right label had to be replaced.

"The only reason I let the cottage was to try to cover some of the expenses. What I didn't realise was the considerable costs required to conform with all the regulations governing letting a property. I laid out more than £5,000 to satisfy the bureaucrats in Brussels."

If council tax were to increase, then Mr Penrose faces hefty rises in outgoings. He says: "In other words, another increase of over 12 per cent — which I would have to pass on to the holidaymaker — when holidays

abroad are so much cheaper. Alternatively, I could let my cottage for more than 140 days a year. But then I must go on the business rate of just under £600 per annum. Like so many others, I wish I'd spent my lump sum on a good trip round the world."

Philip Danishevsky, of North Norfolk Holiday Homes, agents for Mr Penrose's holiday bungalow, takes up the story. "Mr Penrose's tale is typical of many of our homeowners. Some, like him, have bought a cottage for security in their retirement, others have perhaps been left a property and decided to keep it for their retirement and want to get some income from it in the meantime."

He adds: "This year, the combination of the World Cup, the strong pound and a poor summer led to fewer lettings earlier in the season — our homeowners couldn't bear another body blow. Let's face it, on these figures, the return on Mr Penrose's investment is just 2 per cent. He could get a better return in the building society."

"The main reason most of the homeowners like Mr Penrose rent out their properties for holiday lets is because they enjoy looking after holidaymakers and it helps to defray a little of the cost of owning a second home."

"All these measures keep eroding

away the benefit, so we will be left only with the committed, full-time holiday homeowners, who run it as a business."

"In the peak periods, there just isn't enough accommodation to go round, so tourism suffers. Tourism is the UK's fifth largest industry and Norfolk's biggest, accounting for around 11 per cent of jobs, so we need to do all we can to support it. People like Mr Penrose add enormously to the infrastructure in Norfolk."

"Agencies like North Norfolk Holiday Homes bring in tens of thousands of visitors to Norfolk every year; those who enjoy the freedom of self-catering in the many houses, flats, cottages and barn conversions we offer along the Norfolk coast. They come under their own steam and make use of local shops, restaurants, pubs, attractions and other amenities."

"Local tourism has already suffered enough body blows not suffered by our European partners, who take tourism very seriously."

"Although it would seem there is no mention of the proposal to withdraw the 50 per cent allowance in the Department of the Environment's local government White Paper, *Modern Local Government — In Touch with the People*, we and homeowners are left with the uncomfortable feeling that it is something that the Government is considering."











## Court of Appeal

## Law Report December 2 1998

## Court of Appeal

## Secure debt is not debt on a security

**Taylor Clark International Ltd v Lewis (Inspector of Taxes)**

Before Lord Justice Simon Brown, Lord Justice Peter Gibson and Lord Justice Schiemann  
Judgment November 18

The fact that a debt was secured was not sufficient to turn it into a "debt on a security" within the meaning of section 134 of the Capital Gains Tax Act 1979. Accordingly, currency exchange losses incurred by the taxpayer company when a secured, interest-bearing loan was repaid was not an allowable loss for capital gains tax purposes.

The Court of Appeal so stated dismissing an appeal by the taxpayer company, Taylor Clark International Ltd, from a decision of Mr Justice Robert Walker (*The Times* March 24, 1998; [1997] STC 499), whereby he dismissed its appeal by way of case stated from a determination of special commissioners that losses sustained during the accounting periods to March 1992 were not allowable losses.

Section 134 provides: "(1) Where a person incurs a debt to another... on a security... no chargeable gain shall accrue... on a disposal of the debt... as defined in section 82 above... shall be treated as a disposal of the debt or of that part by the creditor made at the time when the debt or that part was satisfied."

Section 82 (9) defines security as including "any loan stock or similar security... of any company, and whether secured or unsecured".

Mr Graham Aaronson, QC and Mr Anthony de Gier Robinson for the taxpayer company; Mr Laurence Henderson, QC, for the Crown.

LORD JUSTICE PETER GIBSON

SOM said that the appeal raised the issue whether the fact that a debt was secured was a sufficient characteristic for the debt to be a "debt on a security".

A second issue was whether, if that was not a sufficient characteristic, the debt in question was, by reason of its particular characteristics, a "debt on a security".

The statutory provisions relevant to the accounting period in question were those in the 1979 Act. In that Act the term "security" was widely defined to include debts, so that the disposal of a debt at a profit or a loss would, in the absence of special provisions to the contrary, give rise to a chargeable gain or an allowable loss.

Special provisions relating to debts were to be found in section 134. The consequence of section 134(1) and (2) was that where the original creditor was repaid by the debtor, any gain or loss arising from the repayment will not be a chargeable gain or an allowable loss unless the debt was a debt on a security.

Was a debt with proprietary security a debt on a security? Mr Aaronson submitted that a secured debt was a debt on a security. He pointed to the fact that the definition of "security" in section 82(9) was only inclusive. That, he said, showed that it had an unexpressed primary or historic meaning, and that meaning was to be found in *Singer v Williams* [1923] 1 AC 41.

He relied in particular on the words of Viscount Cave (at p49): "the normal meaning of the word 'security' was not open to doubt. The word denotes a debt or claim the payment of which was in some way secured."

"The security would generally consist of a right to resort to some fund or property for payment; but I am not prepared to say that other forms of security (such as personal guarantees) were excluded."

In each case, however, where the word was used in its normal

sense, some form of secured liability was postulated. No doubt the meaning of the word may be enlarged by an interpretation clause contained in a statute... or the context may show... that the word was used to denote, in addition to securities in the ordinary sense, other investments such as stocks or shares."

Mr Aaronson said that that was the core meaning of "security" as that expression was used in a taxing statute, and the fact that the loan in the present case was secured meant that it constituted a debt on a security whether or not it also fell within the extension to the core meaning set out in section 82(9).

He pointed to the several references in *Aberdeen Construction Group Ltd v Inland Revenue Commissioners* [1978] AC 885 and *T. Ramsay Ltd v Inland Revenue Commissioners* [1982] 1 C 300 to pure or simple unsecured debts not being debts on a security.

Mr Aaronson argued for his case meaning could not avoid a degree of imprecision as to what form of security sufficed. Viscount Cave was not prepared to rule out security in the form of a personal guarantee, and Mr Aaronson said that possibly security in that form was comprehended.

If any personal guarantee sufficed, the distinction between a mere debt and a "debt on a security" would be a remarkably insubstantial one for the purposes of capital gains tax.

If any personal guarantee sufficed, Parliament would have to be taken to have chosen to distinguish between a mere debt and a secured debt without saying anything about the quality or value of the security. Again that seemed highly improbable.

Mr Aaronson qualified his submission by saying that there was a possible exception where the security was illusory or derisory in value.

Of course a sham security would be ignored, but it was difficult

to accept that Parliament intended to distinguish between security which was derisory in value and other inadequate security without a word to that effect in the legislation.

Moreover, when the draftsman of the 1979 Act wanted to refer to proprietary security, he did so expressly (see section 23) or implicitly by using the participle "secured" as in the concluding words of section 82(9).

In his Lordships' judgment it was inherently improbable that Parliament intended by section 82(9) in its context that any secured debt would be comprehended within the meaning of "security".

His Lordship could see no unifying characteristic of secured debts and the marketable investments which were comprehended by the words of inclusion, and could not accept that two disparate classes of asset, one defined by inclusion and the other unexpressed, were securities for the purposes of a debt on a security.

The distinction drawn in the authorities between a mere unsecured debt and a marketable investment was, in his Lordship's judgment, clearly not intended to exhaust what was not and what was a debt on a security.

His Lordship agreed with Mr Henderson that while the existence of proprietary security for a debt should increase the original lender's chances of avoiding a loss, that security did not of itself turn the loan into an asset which was in principle capable of being disposed of at a profit.

As he said, Parliament could not have intended that the existence of any security, however inadequate, for any debt, however impermanent, should without more turn the debt into a debt on a security. His Lordship therefore rejected the first ground of appeal.

Was the debt owed to Taylor Clark a debt on a security?

To his Lordships' mind the judgment, when handed down in court, would not be entitled "Judgment: Approved by the court for handing down (subject to editorial corrections)" and every page of a judgment which was handed down in that form would be marked in a similar manner.

There would be no embargo on copying a judgment handed down in that form, so long as its status was made clear, and at present no charge would be made for permission to copy it.

In order to make it possible for approved judgments to be handed down in that way, the parties' legal advisers would be requested to submit their written list of suggested corrections by 12 noon, not 3pm, on the day before judgment was handed down.

If it was not possible to comply with that deadline, any later corrections approved by the judge would be included in the final text which the official shorthand writer, or the judge's clerk, in courts which lacked an official shorthand writer, would incorporate into the approved official text of the judgment as soon as practicable.

Where a reserved written judgment had not been reported, reference had still to be made in court to the approved official transcript, if that was available, and not to the approved judgment which was handed down subject to late revision after the text was prepared for handing down.

The court would continue to keep those experimental arrangements under review. Comments or suggestions about any aspect of the approved official text of the judgment should be addressed to Lord Justice Brooke.

judges was plainly right to hold that the loan was not a marketable security in any realistic sense, the most important features outweighing the others relied on by Mr Aaronson being the absence of any fixed term for the loan, the fact that it was repayable on demand by the holder of the note and the fact that it was repayable by the borrower at any time without penalty or additional consideration.

His Lordship did not see it as being of great moment that Taylor Clark was lending the money for property development purposes. That was not a contractual term and did not detract from the importance of a loan which the creditor or the borrower could bring to an end at any time.

That did not appear to his Lordship to be a loan intended to be marketable or dealt in even though it was assignable, still less did it appear to have been intended to be assigned other than as a whole.

It was common ground that the promissory note could not be divided, although no doubt equity would recognise an assignment of part of the benefit of the loan.

The tenor of the documentation, although always curable, confirmed the impression that the loan was never intended to be a marketable security but was a mere interest-bearing loan, with security, from a parent company to its subsidiary.

The fact that the loan was in foreign currency, which always gave rise to the possibility of a currency gain or loss when the loan was repaid, was not a significant feature as the basic rule in section 134(1) expressly recognised that, whether the debt was in sterling or some other currency, no chargeable gain or allowable loss was to accrue to the original creditor on its disposal.

Lord Justice Simon Brown and Lord Justice Schiemann agreed.

Solicitors: William Sturges & Co, Solicitors of Inland Revenue.

## Mistress held husband's share on trust

**Lowson v Coombes**

Before Lord Justice Nourse, Lord Justice Henry and Lord Justice Robert Walker  
Judgment November 26

A married man who bought a house jointly with his mistress but conveyed it into her sole name with the purpose of preventing his wife having any claim over it was nevertheless entitled to a declaration, after the relationship with his mistress had ended, that she held his half-share in the property on a resulting trust for his benefit, and so an order that he be sold the property was made.

The Court of Appeal so held when allowing an appeal by the plaintiff, Douglas Hunter Lowson, against the refusal by Judge Russell-Vice, QC, at Darford County Court on January 6, 1998, of his claim under the Trusts of Land and Appointment of Trustees Act 1996 that he was entitled to a beneficial interest in the property known as 1 Queenswood Road, Blackfield, Sidcup, Kent and registered in the sole name of the defendant, Rebecca Coombes.

Mr David Reade for the plaintiff; Mr Andrew Short for the defendant.

LORD JUSTICE NOURSE said the plaintiff, now 82, and the defendant, almost 80, first met in 1973. Each was then married and living in rented accommodation.

The defendant was separated from her husband and living in a one-room bedsit in Blackheath. The plaintiff lived in Beckenham. His wife had psychiatric problems for which from time to time she required hospitalisation.

In 1980, the plaintiff and defendant purchased a flat together for £5,500, he contributing £3,000 and she £2,500. But the property was conveyed into the defendant's sole name in order to avoid the plaintiff's wife having any claim over the property. The parties did not live together, but the plaintiff used to visit the flat as the flat was used as a study for the defendant and the proceeds used to purchase a property, which had yet to be built, in Spain, where they planned to live together. The move proved disastrous and in 1983, having sold the Spanish property at a loss, they bought another property in England.

In 1989 they sold it and bought the property at 1 Queenswood

Road which was the subject of these proceedings. As before, that was conveyed into the sole name of the defendant.

In 1991 the parties separated, the plaintiff leaving to live with his son, the defendant remaining in the property. In 1993 the plaintiff began proceedings, claiming a declaration that the property was held by the defendant on trust for sale in equal shares, and an order for its sale.

The judge found that there was a common intention to purchase the property in equal shares, but held himself bound by the decision in *Tinker v Tinker* [1970] P 139 to hold that the plaintiff was precluded from asserting his half-interest.

The only difference was that in *Tinker v Tinker* the husband, who had embarked on a new business venture, was advised by his solicitor to put his house into his wife's name in order to put it out of the reach of his creditors, should the business fail, whereas here it was to put it out of the reach of the plaintiff's wife.

The present case was not pleaded before the judge as one of illegality, so *Tinsley v Milligan* [1994] 1 AC 360 was not cited to him. In that case a house was bought by two single women who ran a lodging house to enable them to make fraudulent benefit claims; the house was vested in the plaintiff's sole name.

The House of Lords held that the defendant was entitled to assert her beneficial interest in the property, notwithstanding that this was in the course of an illegal transaction, so long as she did not actually rely on the illegality.

Here a case of illegality could be made in relation to section 37 of the Matrimonial Causes Act 1973 on avoidance of transactions intended to prevent or reduce financial relief.

By subsection (2)(b) where proceedings for financial relief were brought by one person against another, and the court was satisfied that the other party had made a disposition with the intention of defeating the claim for financial relief, the court could set that disposition aside.

That power could be exercised notwithstanding that the relevant disposition had been made. A disposition such as the conveyance in this case, whose purpose was to prevent the other party to a

marriage from having a claim over her husband's property and from seeking an order under section 37(2) of the 1973 Act, could accordingly be categorised as one made with an illegal purpose.

The present case was thus on all fours with *Tinsley v Milligan*. To achieve the illegal purpose of putting the property out of the reach of the plaintiff's wife, it was conveyed into the name of the defendant, a person to whom the presumption of advancement did not apply.

It followed that the defendant held half the beneficial interest on a resulting trust for the plaintiff. *Tinker v Tinker* could be distinguished because that was a case in which the presumption of advancement applied, and the husband's evidence, far from rebutting it, reinforced that presumption on its specific facts, he must be taken to have intended to part with ownership.

*Cantor v Cox* [1978] 239 EG 121, on which the judge also relied, was another case of a dispute over the beneficial interest in a house purchased in the mistress's name to keep it out of the reach of the man's creditors.

After the mistress's death, her executor claimed possession. The man counterclaimed for a declaration that he was beneficially entitled to it.

Sir Anthony Powell, Vice-Chancellor, applying *Tinsley v Tinker*, said the only way consistent with honesty that the man could have asserted the house would not be available to his creditors, was to give it beneficially to his mistress.

He could not be heard in court to allege a dishonest motive, for it was axiomatic that he who came to equity must come with clean hands. The man's claim was accordingly refused and that of the executor upheld.

In the instant case, his Lordship said that *Cantor v Cox* could no longer stand with *Tinsley v Milligan* and had to be taken to have been disapproved by the House of Lords in the latter case.

In the result, the plaintiff was entitled to the declaration sought and an order for sale of the property and division of the proceeds.

Lord Justice Henry agreed and Lord Justice Robert Walker gave a concurring judgment.

Solicitors: Watts & Leading, New Eltham; Howart Scott, Bexleyheath.

## Policy on placing young offenders is lawful

**Regina v Secretary of State for the Home Department, Ex parte J**

**Regina v Same, Ex parte B**

Before Lord Woolf, Master of the Rolls, Lord Justice Hutton and Lord Justice Tuckey  
Judgment November 18

The Home Secretary's policy of placing young offenders sentenced under section 53 of the Children and Young Persons Act 1933 in young offender institutions rather than community care establishments, unless exceptional circumstances existed, was lawful.

The Court of Appeal so held in dismissing renewed applications by J and B, two boys aged 16, for leave to appeal against the decision of Mr Justice Collins in the Queen's Bench Division on July 3, 1998 to dismiss their application for judicial review of the Home Secretary's decision of March 9, 1998 that they should be detained at Portland Young Offender Institution.

The boys had been convicted of robbery in January 1998 and sentenced to three years detention under section 53 of the Children and Young Persons Act 1933.

Mr Richard Gordon, QC and Mr Alan Wise for the boys; Mr David Pannick, QC and Mr Michael Fordham for the Home Secretary.

THE MASTER OF THE ROLLS said that the Home Secretary had the power to direct where a young offender sentenced to de-

tention under section 53 of the 1933 Act was to be detained. In respect of offenders detained in secure conditions the Home Secretary had a discretion to choose either a young offender institution or a community care establishment.

In 1987, in relation to offenders covered by section 53, Home Office Circular Instruction 31/87 had indicated that an offender would go to a community care establishment unless there were particular reasons why that allocation was inappropriate.

By section 1A of the Criminal Justice Act 1982, as inserted by section 125 of the Criminal Justice Act 1988, Parliament had laid down that, for those who had committed offences which were less serious than those which were dealt with under section 53 of the 1933 Act, the sentence was to be served in a young offender institution.

The policy now adopted by the Home Secretary involved treating the normal place where a young offender served his sentence as being a young offender institution. The Home Secretary accepted that he had to consider the situation of each individual young offender, but that would be the normal allocation.

The Home Secretary had said that there were no exceptional reasons for placing the two boys in community care establishments. The boys had submitted that that approach was unlawful.

In his Lordship's judgment, in approaching the matter it was im-

possible to ignore the consequences of section 1A of the 1982 Act.

If, when less serious offenders were being sentenced to a young offender institution, the Home Secretary had to exercise his discretion in accordance with the previous policy in the circular instruction to sentence those who had committed more serious offences to some other form of disposal, that would be regarded as more favourable, that would be inconsistent with what Parliament had indicated by enacting section 1A.

Section 1A could not alter the interpretation of section 53 but it could create a different factor which the Home Secretary would almost be acting unreasonably if he ignored it when exercising his discretion under section 53.

In exercising his discretion, the Home Secretary was required to bear in mind the importance not only of coming to a fair and proper decision in relation to the particular offender, but also the need to have a policy which was sensible in relation to offenders as a whole.

To ignore the existence of section 1A would be to run against the sentencing structure for young offenders as a whole which Parliament had established. His Lordship had seen nothing to show that the Home Secretary's policy was unlawful.

Lord Justice Hutton and Lord Justice Tuckey agreed.

Solicitors: H M B Law, Stoke-on-Trent; Treasury Solicitor.

## Cost benefit analysis not appropriate

**Dodd v Chief Constable of Cheshire Constabulary**

Where liability had been admitted and judgment had been issued for damages to be assessed, but the defendant had secured an order for costs against a legally aided plaintiff, it was not appropriate for the judge to carry out a cost benefit analysis to decide whether the case should go to trial or quantum.

The Court of Appeal (Lord Justice Tuckey and Mr Justice Cazalet) so held on November 24 allowing an appeal by Michael Terence Dodd against the striking out by Judge Woolley in Chester County Court of his claim for wrongful imprisonment against Cheshire Constabulary.

MR JUSTICE CAZALET said the case was different from *AB v John Weir & Brother Ltd* (No 2) (*The Times* December 1, 1998).

That case should not be seen as authority for the proposition that the court had a general discretion to assess quantum in advance of the trial of that issue.

THE MASTER OF THE ROLLS said that the Home Secretary had the power to direct where a young offender sentenced to de-

tention under section 53 of the 1933 Act was to be detained. In respect of offenders detained in secure conditions the Home Secretary had a discretion to choose either a young offender institution or a community care establishment.

In 1987, in relation to offenders covered by section 53, Home Office Circular Instruction 31/87 had indicated that an offender would go to a community care establishment unless there were particular reasons why that allocation was inappropriate.

By section 1A of the Criminal Justice Act 1982, as inserted by section 125 of the Criminal Justice Act 1988, Parliament had laid down that, for those who had committed offences which were less serious than those which were dealt with under section 53 of the 1933 Act, the sentence was to be served in a young offender institution.

The policy now adopted by the Home Secretary involved treating the normal place where a young offender served his sentence as being a young offender institution. The Home Secretary accepted that he had to consider the situation of each individual young offender, but that would be the normal allocation.

The Home Secretary had said that there were no exceptional reasons for placing the two boys in community care establishments. The boys had submitted that that approach was unlawful.

In his Lordship's judgment, in approaching the matter it was im-

possible to ignore the consequences of section 1A of the 1982 Act.

If, when less serious offenders were being sentenced to a young offender institution, the Home Secretary had to exercise his discretion in accordance with the previous policy in the circular instruction to sentence those who had committed more serious offences to some other form of disposal, that would be regarded as more favourable, that would be inconsistent with what Parliament had indicated by enacting section 1A.

Section 1A could not alter the interpretation of section 53 but it could create a different factor which the Home Secretary would almost be acting unreasonably if he ignored it when exercising his discretion under section 53.

In exercising his discretion, the Home Secretary was required to bear in mind the importance not only of coming to a fair and proper decision in relation to the particular offender, but also the need to have a policy which was sensible in relation to offenders as a whole.

To ignore the existence of section 1A would be to run against the sentencing structure for young offenders as a whole which Parliament had established. His Lordship had seen nothing to show that the Home Secretary's policy was unlawful.

Lord Justice Hutton and Lord Justice Tuckey agreed.

Solicitors: H M B Law, Stoke-on-Trent; Treasury Solicitor.

## Scots Law Report December 2 1998 Inner House

## Benefits irrelevant to interest

**Wisely v John Fulton (Plumbers) Ltd**

Before the Lord President (Lord Roger), Lord Sutherland and Lord Caplan  
Judgment July 21

Social security benefits recoverable in terms of the Social Security (Recovery of Benefits) Act 1997 should be disregarded in determining those damages on which interest fell to be included in any judgment.

The First Division of the Inner House of the Court of Session so held, determining the issue reported to it in an action of damages at the instance of James Wisely against John Fulton (Plumbers) Ltd.

Mr James Peoples, QC and Mr Brian Fitzpatrick for the pursuer; Mr Michael Jones, QC, for the defender.

THE LORD PRESIDENT said that following proof the defender had been found liable in damages to the pursuer for injuries as result of an accident on December 10, 1990.

Those damages included damages for past loss of earnings on which interest would fall to be awarded. The case had been reported to the Inner House as there were two conflicting Outer House opinions on the approach to be adopted to such interest.

The question was whether interest should be applied to the whole sum of damages for past loss of

earnings as had been held in *Spence v Wilson* (1998 SLT 689) or only to that part of the court's award of damages on which interest represented the difference between that award and the amount of the income support which the pursuer had received, as in *George v George* (1998 SLT 688).

The duty of the court to include interest arose at the time when the court pronounced an interlocutor decreeing for payment of damages of personal injuries. The interest to be awarded related to the period up to the date of decree.

Section 11A of the Damages (Scotland) Act 1998 seemed to require that the sum for interest should be included as part of the sum consisting of or including damages in respect of personal injuries.

The time of payment of damages to the pursuer was important not just because in certain cases it might have the effect of determining the amount of benefits which the defender had to pay to the pursuer in terms of the 1997 Act, but also because in all cases, it fixed the moment when the defender actually became liable to pay the pursuer the sum of the damages.

Another purpose of the 1997 Act was to ensure that the victim who had received benefits from the state to replace his lost earnings and whose financial loss had corre-

spondingly been reduced, should not obtain compensation for that element of his loss in so far as covered by the benefits.

That represented Parliament's current solution to the problem of the relationship of benefits and damages which had existed in one form or another since the National Insurance Act 1911.

The mechanism for carrying out Parliament's intention to prevent double recovery operated not at the stage when the court granted a decree for payment of the sum by way of damages, but later when the defender came to discharge the pursuer's claim to payment by virtue of the decree.

Section 8 of the 1997 Act provided that the pursuer's claim which had been rendered liquid by the decree was to be treated for all purposes as discharged if the defender paid not the amount specified in the decree, but a reduced amount. That reduced amount was to be calculated in terms of subsections (5) to (8).

The structure of the legislation was thus that deduction of benefits was made at the time of payment by contrast the court dealt with interest at the stage of determining the defender's liability.

The court had been required to deduct the benefits when calculating interest under the previous legislation, section 22A of the Social Security Act 1989 and section 7 of the Social Security Act 1990.

Those provisions, as re-enacted in 1992, had been repealed without re-enactment in the 1997 Act.

In that situation the court required to take notice of the fact that Parliament had omitted the precise provision which previously directed the court to deduct benefits when calculating interest.

The 1997 Act was a practical compromise and in that situation the court was best guided by looking to the terms of the Act itself rather than trying to apply more general principles.

Here it was significant that the earlier provisions had not been re-enacted.

That was a powerful indication that Parliament did not intend the court to take benefits into account when calculating interest. There was nothing in the overall scheme of the Act which overcame that indication.

It followed that any benefits paid to the pursuer should be disregarded in determining the damages on which interest fell to be included in any decree on which interest fell to be included.

Compensation for loss of earnings lost during the relevant period in terms of column 1 of Schedule 2 to the 1997 Act should include any interest on the damages for past loss of earnings.

Lord Sutherland and Lord Caplan delivered concurring opinions.

Law agents: Digby Brown & Co, Simpson & Marwick, WS.

AN EXCLUSIVE READER OFFER

**THE TIMES**

Give those special friends and family members living abroad

**THE IDEAL**

**GIFT THIS CHRISTMAS**

Set up a subscription to *The Times* for them at substantial discounts off local cover price and let them enjoy early morning delivery on the day of publication. We'll send you a

**FREE 1999 DESK DIARY**

when we receive your order

SUBSCRIPTION RATES						
COUNTRY	CURRENCY	12 MONTHS	SAVINGS ON COVER PRICE	6 MONTHS	3 MONTHS	SATURDAY ONLY 1 YEAR
BELGIUM	(BFr)	16599	48%	9129	4772	4661
FRANCE	(FFr)	3300	35%	1815	949	900
ITALY	(L)	1048887	30%	576688	301555	237428
LUXEMBOURG	(LFr)	16599	48%	9129	4772	4661
NETHERLANDS	(DFr)	778	56%	428	224	188
SPAIN	(Pfr)	90000	18%	49500	25875	20700
SWEDEN	(SKr)	5232	37%	2876	1504	1056
SWITZERLAND	(Sfr)	309	49%	445	232	177
REST OF EUROPE	(£)	474	-	261	136	130
USA (AIRMAIL)	(£)	733	57%	403	211	208







## RUGBY UNION

# Tired players fall victim to overcrowding

WITHIN 15 days in November, there have been 13 shows of international rugby, 14 if you include the Scotland encounter with the New Zealand Maoris. There are three more to go before the tour subsides and the World Cup qualifiers are over, the biggest of them South Africa's assault, against England at Twickenham on Saturday, on the record of consecutive victories gained by any one country.

It should have been a boom time for the game, in terms of exposure and quality, but it was not. Instead, the rugby public has paid a lot of money for a glut of fractured affairs, remarkable for an indifferent standard of play — although there has been some excitement engendered in international matches in which the favourite has faced a severe challenge before coming through.

In addition, Australia, one of the outstanding teams of the great, came and went from Great Britain leaving scarcely a flicker in its wake. Once, the build-up to an international against visitors from the southern hemisphere would have been slow and stately, as they made their way through the provinces; now, they are part of the corporate mood, on display but apparently part of some global deal that leaves little taste, good or bad, in the mouth.

This autumn, there have been too many games played by tired teams, too many games that have not been sporting contests and too many games high on effort and low on skill. John Eales, the Australia captain, played 27 matches this year, half of which were internationals; there is no prouder man than Eales of his country's sporting achievements, but international rugby has become far too common for him and his colleagues.

How often can we ask athletes to peak, without short-changing the public? At least South Africa retain their interest to the end, since they have a grand slam to go for, but not

## DAVID HANDS



only are the performers from Australia and South Africa tired at the end of their long season, they are running into referees who are patently confused over how they should control games.

It does not matter which hemisphere they come from, the world's top officials are struggling to find the game that the lawmakers and the public want. Last season, it seemed as though the English domestic game was coming to terms with a more fluid style of play and penalties were declining in number, but there are some revealing figures from a cross-section of the autumn internationals.

The official figures, supplied by Unisys, show a worst return of 47 penalties handed out by Didier Mené, of France, during the World Cup match between England and Italy. Next on the hit-list was Ireland v South Africa, when Clayton

Thomas, of Wales, penalised the teams 40 times, and André Watson, of South Africa, penalised France and Australia on 39 occasions. There were 27 penalties in the game at Twickenham last Saturday between England and Australia, which was refereed by Paul Horiss, of New Zealand, the same number awarded by Stuart Dickinson, of Australia, when Wales met South Africa in perhaps the best match of the 13 full internationals.

No game as complex as rugby can prosper if there is a penalty awarded every other minute and, even when teams have tried to sustain the action with a tapped penalty, all too frequently they have been called back. Horiss was particularly hot on that aspect in a game that England wanted to speed up and Australia seemed content to slow down. Teams are hanging on to the ball, so as to stop a quickly taken penalty, without being punished and sometimes that, in itself, is responsible for an outbreak of frustration, which leads to a further stoppage.

In addition, the laws differ — in this country at least — between club and country. The yellow card remains a feature of international rugby, as a first warning to offending players: the white card for the sin-blin, used for technical offences in club rugby in France and England, has no place on the bigger stage — nor indeed, on the smaller one in England, for clubs outside the Allied Dunbar Premiership.

All of which suggests that Paddy O'Brien, the experienced New Zealand official who was the recipient — as a touch judge — of a fine pass from Mike Catt on Saturday, has an awesome responsibility when he handles the England encounter with the Springboks on Saturday.

The weight of history will be pressing down on him, but it is worth remembering that England, a year ago, saved their best for last in a game of quality and drama with New Zealand that ended 26-26. Can history repeat itself?



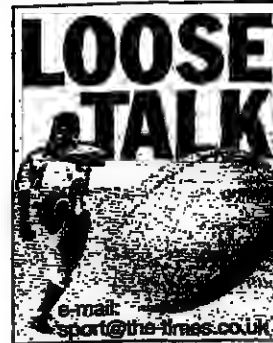
Mené littered the World Cup qualifier between England and Italy at Huddersfield last month with a plethora of penalties. Photograph: David Rogers/Allsport

## England put their shirt on hoops for Sydney

Australia may have headed home after their narrow squeak over England in the Cook Cup international last weekend, but already thoughts are turning to the next encounter in Sydney on June 26 next year, a game that marks the centenary of hostilities between the two countries. Because of its historical significance, England will jettison their traditional white strip and instead wear replicas of the original kit worn by the British Isles team that toured Australia in 1899 and 1904. It consists of a blue, red and white hooped jersey without a crest, navy shorts and black stockings, with three white hoops. The Aussies are likely to wear the light blue of New South Wales, complete with the state's national flower, the Waratah, on their shirt. In those days there wasn't a sponsor's logo in sight.

## Sevens storm

One or two clubs are angry that they have been painted as the bad boys for the Rugby Football Union's decision not to send a team to the Hong Kong Sevens next year. Not guilty, they say, pointing out that at the English First Division Rugby (EFD) board meeting last week a resolution was passed supporting the whole concept and pledging the release of players. Admittedly, the tournament (on March 28-29) falls during the Five Nations Championship, but the fact that Australia, New Zealand and South Africa will be involved in the Super 12 at the same time hasn't stopped them sending competitive squads. The Hong Kong union doesn't want to antagonise Twickenham; however, Loose Talk hears that if they spoke directly to EFD, they might be pleasantly surprised.



recalled. "Early on, Jim Telfer gave Billy's arm a tug and it clicked back into place. He went on to play a stormer."

## Flying visit

First we had the Newcastle Falcons, now it's the Henley Hawks, who have gone one step further by actually acquiring a live mascot for the 1st XV. He is Hugo the Waratah, who took his bow at Dry Leas recently as the home side beat Reading 25-9. Hugo wasn't hugely impressed, lingering only briefly on the crossbar for some publicity photographs. Ronnie Mott, his owner, said: "They'll have to change the bar for a wooden one if they want Hugo to hang around. He doesn't like a metal perch!"

## Prize guy

Rugby clubs and schools in the Bristol area have the chance next week to win Bob Dwyer for the night. The Australia World Cup-winning coach has agreed to be a raffle prize to aid Oxford's Central Australian appeal, funds for which are also being raised.



Dwyer: helping Oxford

at the match between Bristol University and the University of the West of England at the Memorial Stadium on December 10; in the past two years, the game has grossed more than £15,000 for Oxford. Dwyer and his staff will take a training session at the winning club or school.

## Thief warning

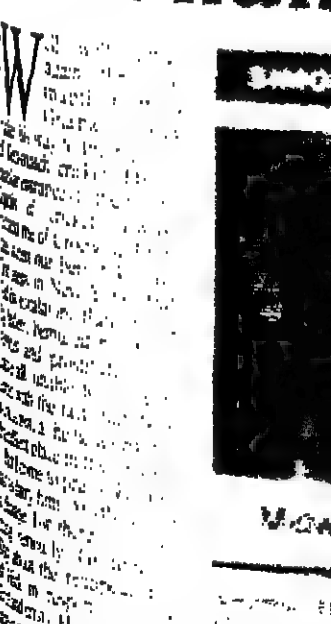
Suffolk police are warning clubs to be on their guard against a conman who has twice tricked teams into parting with their valuables. The most recent incident happened at Bury St Edmunds before their cup tie with Harpenden. A man produced a black bag and said he would look after players' property during the game. Neither the bag nor the man could be traced afterwards.

MARK SOUSTER

Faltering left wing of unc...



Hick run of hum...



W...

W...

## Call far-flung family or friends FREE at Christmas

### 30 minutes of four-way conversation



Today, *The Times*, in association with BT Conferencing, offers every reader the chance to talk with up to three other people on one call for half-an-hour FREE this Christmas. One person on your Conference Call can be at any of the international destinations listed in Monday's *Times*. (They will be published again tomorrow.)

Also tomorrow we will publish the Freefone number and full instructions on how to make your festive call. You just need a normal telephone to take advantage of this offer and to collect four of the six tokens published this week. All you need to do now is arrange with your family and friends the date and time you want to make the call, anytime between Monday, December 21 and Sunday, January 31.

BT CONFERENCE CALL

TOKEN 3

CHANGING TIMES

## Paterson vacates Scottish position

BY ALASDAIR REID

DUNCAN PATERSON, the executive chairman of the Scottish Rugby Union (SRU), yesterday announced that he is to tender his resignation from all posts that he holds on the union with immediate effect. The news was given in a brief statement from Murrayfield.

Paterson had stated last week that he would leave the executive board "at an appropriate time". The vagueness of that statement was one of the reasons behind the decisions of Andy Irvine and John Jeffrey to sever their ties with the SRU last Thursday. Then, last Saturday, it was announced that he would go after general committee meeting this Friday.

Paterson had come under increasing pressure after the perceived failure of a number of SRU strategies with which he was closely connected. He will outline his reasons for

going in a letter to Derek Brown, the SRU president. Meanwhile, the chairmen of Scotland's three club associations have written to the SRU requesting that their organisations be given places on the executive board, the SRU's main decision-making body.

Officials of the three associations — Scottish Premier Rugby, the Premier League Clubs Association and the Scottish Rugby Clubs Association — met on Monday to devise a joint strategy for the interim administration of the game, pending the outcome of the independently chaired review into structure and governance that was promised by the union last week.

Spain go into the European zone World Cup qualification match against Portugal at Murrayfield tonight with a slight psychological edge. They have lost to the Portuguese only once in 17 games.

□ They will soon be swapping fox hats for mortarboards at Vicarage Road with the news that Saracens have launched a new degree course with Buckinghamshire Chilterns University College. The BA (Hons) in Leisure Management and Rugby Studies will start in October next year, coinciding with the World Cup.

## Cook's dinner

In honour of their most loyal supporter, Mrs E. Mainwaring, Aberavon RFC will next month hold a gala dinner to mark her 70-year connection with the club. A well-known figure on the South Wales rugby scene, the 84-year-old widow, whose first name is a closely-guarded secret, still cooks the food for the players after a match at the Talbot Athletic Ground. Her proudest moment came when Billy, the youngest of her three sons, made his international debut at second row for Wales against Scotland in 1967. "He had a bad arm, but there was no way he was not going to play," she

## FOR THE RECORD

## AMERICAN FOOTBALL

NATIONAL LEAGUE (NFL): Standing: New England 25 Buffalo 21 Seattle 20 Tennessee 18 Green Bay 24 Philadelphia 16 Miami 20 New Orleans 10 Washington 23 Oakland 19 Denver 31 San Diego 16 Kansas City 10 Cincinnati 31 New York Giants 1

## American Conference

	W	L	T	P	A
NY Jets	8	4	0	315	189
Miami	8	4	0	291	168
Buffalo	7	5	0	268	242
New England	7	5	0	262	236
Indianapolis	2	10	0	203	336

## Central division

	W	L	T	P	A
Jacksonville	4	3	0	311	247
Pittsburgh	7	3	0	224	218
Tennessee	6	5	0	230	237
Baltimore	2	9	0	240	347
Cincinnati	2	10	0	197	321

## Western division

	W	L	T	P	A
Denver	12	0	0	401	206
Oakland	7	5	0	249	244
Seattle	6	6	0	256	270
Kansas City	5	7	0	238	329
San Diego	5	7	0	181	247

## National Conference

	W	L	T	P	A
Dallas	11	1	0	235	217
Akron	6	6	0	251	308
NY Giants	4	8	0	196	257
Washington	3	9	0	240	347
Philadelphia	2	10	0	108	277

## Central division

	W	L	T	P	A
Minnesota	11	1	0	334	230
Green Bay	8	4	0	314	240
Chicago	5	7	0	233	250
Chicago	5	7	0	197	276

## Western division

	W	L	T	P	A
Atlanta	10	2	0	325	219
San Francisco	9	3	0	354	244
Seattle	7	5	0	276	262
St Louis	3	9	0	307	285
Carolina	2	10	0	236	322

## Eastern division

	W	L	T	P	A
Atlanta	10	2	0	325	219
San Francisco	9	3	0	354	244
Seattle	7	5	0	276	262
St Louis	3	9	0	307	285
Carolina	2	10	0	236	322

## BOWLS

KELVIN HALL: Glasgow Classic: First rounds: M Duff (Scot) vs G Smith (Eng) 7-5, 7-4; R Corrie (Scot) vs G Robinson (Scot) 7-5, 5-7; 7-1; M McEwan (Aus) vs D Campbell (Scot) 4-7, 5-7, 7-2; J Price (Wales) vs R West (Wales) 7-2, 7-4

## BOXING

MANCHESTER: British middleweight championship: H Eastman (Baltasar) vs J Foster (Gallford) 7th, Cosman-weight light-welterweight title: P Barker (Manchester) vs E Magee (Belfast) pts. Super-heavyweight 14 rounds: M Gormley (Manchester) vs D Ashton (Belfast) pts. Super-heavyweight (4 rounds): E Nevins (Manchester) vs K Jones (Celtic Hongkong) pts.

## FOOTBALL

AVON INSURANCE COMMUNITARIAN: First division: Millfold 2 Portmouthe 1

INTER-CONTINENTAL CUP: Real Madrid 2 Vasco da Gama 1 (in Tokyo)

BANGKOK: Asian Games: Group C: Japan 5 Nepal 0; Group D: Thailand 5 Maldives 0; Group E: Kuwait 11 Mongolia 0; Group F: Iran 2 Kazakhstan 0

Monday's late results

FA YOUNG TROPHY: Second round: Hyde United 2 Runcorn 0. First division:

UNION LEAGUE: Premier division: Hyde United 2 Runcorn 0. First division:

AVON INSURANCE COMMUNITARIAN: First division: Millfold 2 Portmouthe 1

INTER-CONTINENTAL CUP: Real Madrid 2 Vasco da Gama 1 (in Tokyo)

BANGKOK: Asian Games: Group C: Japan 5 Nepal 0; Group D: Thailand 5 Maldives 0; Group E: Kuwait 11 Mongolia 0; Group F: Iran 2 Kazakhstan 0

Monday's late results

FA YOUNG TROPHY: Second round: Hyde United 2 Runcorn 0. First division:

## Western division

	W	L	T	P	A
Atlanta	10	2	0	325	219
San Francisco	9	3	0	354	244
Seattle	7	5	0	276	262
St Louis	3	9	0	307	285
Carolina	2	10	0	236	322

## Eastern division

	W	L	T	P	A
Atlanta	10	2	0	325	219
San Francisco	9	3	0	354	244
Seattle	7	5	0	276	262
St Louis	3	9	0	307	285
Carolina	2	10	0	236	322

## BOWLS

KELVIN HALL: Glasgow Classic: First rounds: M Duff (Scot) vs G Smith (Eng) 7-5, 7-4; R Corrie (Scot) vs G Robinson (Scot) 7-5, 5-7; 7-1; M McEwan (Aus) vs D Campbell (Scot) 4-7, 5-7, 7-2; J Price (Wales) vs R West (Wales) 7-2, 7-4

## BOXING

MANCHESTER: British middleweight championship: H Eastman (Baltasar) vs J Foster (Gallford) 7th, Cosman-weight light-welterweight title: P Barker (Manchester) vs E Magee (Belfast) pts. Super-heavyweight 14 rounds: M Gormley (Manchester) vs D Ashton (Belfast) pts. Super-heavyweight (4 rounds): E Nevins (Manchester) vs K Jones (Celtic Hongkong) pts.

## FOOTBALL

AVON INSURANCE COMMUNITARIAN: First division: Millfold 2 Portmouthe 1

INTER-CONTINENTAL CUP: Real Madrid 2 Vasco da Gama 1 (in Tokyo)

BANGKOK: Asian Games: Group C: Japan 5 Nepal 0; Group D: Thailand 5 Maldives 0; Group E: Kuwait 11 Mongolia 0; Group F: Iran 2 Kazakhstan 0

Monday's late results

FA YOUNG TROPHY: Second round: Hyde United 2 Runcorn 0. First division:

UNION LEAGUE: Premier division: Hyde United 2 Runcorn 0. First division:

AVON INSURANCE COMMUNITARIAN: First division: Millfold 2 Portmouthe 1

INTER-CONTINENTAL CUP: Real Madrid 2 Vasco da Gama 1 (in Tokyo)

BANGKOK: Asian Games: Group C: Japan 5 Nepal 0; Group D: Thailand 5 Maldives 0; Group E: Kuwait 11 Mongolia 0; Group F: Iran 2 Kazakhstan 0

Monday's late results

FA YOUNG TROPHY: Second round: Hyde United 2 Runcorn 0. First division:

## Western division

	W	L	T	P	A
Atlanta	10	2	0	325	219
San Francisco	9	3	0	354	244
Seattle	7	5	0	276	262
St Louis	3	9	0	307	285
Carolina	2	10	0	236	322

## Eastern division

	W	L	T	P	A
Atlanta	10	2	0	325	219
San Francisco	9	3	0	354	244
Seattle	7	5	0	276	262
St Louis	3	9	0	307	285
Carolina	2	10	0	236	322

## BOWLS

KELVIN HALL: Glasgow Classic: First rounds: M Duff (Scot) vs G Smith (Eng) 7-5, 7-4; R Corrie (Scot) vs G Robinson (Scot) 7-5, 5-7; 7-1; M McEwan (Aus) vs D Campbell (Scot) 4-7, 5-7, 7-2; J Price (Wales) vs R West (Wales) 7-2, 7-4

## BOXING

MANCHESTER: British middleweight championship: H Eastman (Baltasar) vs J Foster (Gallford) 7th, Cosman-weight light-welterweight title: P Barker (Manchester) vs E Magee (Belfast) pts. Super-heavyweight 14 rounds: M Gormley (Manchester) vs D Ashton (Belfast) pts. Super-heavyweight (4 rounds): E Nevins (Manchester) vs K Jones (Celtic Hongkong) pts.

## FOOTBALL

AVON INSURANCE COMMUNITARIAN: First division: Millfold 2 Portmouthe 1

INTER-CONTINENTAL CUP: Real Madrid 2 Vasco da Gama 1 (in Tokyo)

BANGKOK: Asian Games: Group C: Japan 5 Nepal 0; Group D: Thailand 5 Maldives 0; Group E: Kuwait 11 Mongolia 0; Group F: Iran 2 Kazakhstan 0

Monday's late results

FA YOUNG TROPHY: Second round: Hyde United 2 Runcorn 0. First division:

UNION LEAGUE: Premier division: Hyde United 2 Runcorn 0. First division:

AVON INSURANCE COMMUNITARIAN: First division: Millfold 2 Portmouthe 1

INTER-CONTINENTAL CUP: Real Madrid 2 Vasco da Gama 1 (in Tokyo)

BANGKOK: Asian Games: Group C: Japan 5 Nepal 0; Group D: Thailand 5 Maldives 0; Group E: Kuwait 11 Mongolia 0; Group F: Iran 2 Kazakhstan 0

Monday's late results

FA YOUNG TROPHY: Second round: Hyde United 2 Runcorn 0. First division:

## Western division

	W	L	T	P	A
Atlanta	10	2	0	325	219
San Francisco	9	3	0	354	244
Seattle	7	5	0	276	262
St Louis	3	9	0	307	285
Carolina	2	10	0	236	322

## Eastern division

	W	L	T	P	A
Atlanta	10	2	0	325	219
San Francisco	9	3	0	354	244
Seattle	7	5	0	276	262
St Louis					







# Beauchamp remains to the Manor born



**Oliver Holt talks to one of a dying breed in football, a player who wants to play for just one club**

Joey Beauchamp has taken his turn as the bearded lady in the football funfair before. The last time that Oxford United transferred him, he was made into a laughing stock when he pleaded homesickness. Eventually, he made it back to the Manor Ground and rebuilt his career and his reputation — but now the club wants to sell him again and the freak-show fans are beginning to titter.

If his situation was not so bitterly ironic and unfair, it would be achingly funny. Impoverished, desperate for money to keep them from sliding into administration, Oxford have accepted offers for Beauchamp, their best player and most saleable asset, from five different clubs this season. On four occasions, he has refused to go. The fifth, to Nottingham Forest, broke down before he could say no.

As one transfer collapse followed another, the Oxford staff, many of whom have not been paid for seven weeks because of the club's parlous financial position, tore out a few more tufts of their own hair and took another despairing look at their bare cupboards. "Joey Beauchamp is going nowhere," Malcolm Shotton, the Oxford manager, told me on Monday afternoon. It was not said with defiance — Shotton sounded despairing.

It is not the prospect of success that is keeping Beauchamp at the increasingly dilapidated Manor Ground. Despite three consecutive victories, Oxford are still firmly in the bottom half of the Nationwide League first division, are £13 million in debt and losing an estimated £150,000 a month. Hardly the place for a talented winger like Beauchamp to further his career.

Beauchamp's desire to stay is rooted in deeper reasons than that. He loves the club. He loves Oxford. The Dreaming Spire may not do much for him, but he is a regular at the greyhound track near Cowley and he has never lived more than a mile from the Manor Ground all of his life. First, it was the tough community of Barton, then Cuddesbourne. Now, he lives in Headington. He can walk to the ground in the morning to get ready for training.

Many will mock him again for his lack of ambition. They will call him a home boy, a mummy's boy. The irony, though, is that most clubs crave loyalty like his in their



For Beauchamp, Oxford born and bred, the Manor Ground is a home from home, the only place that he wants to play football.

players and lament its passing on a daily basis. In that respect, Beauchamp is one of the last of a dying breed, a footballer who puts his own allegiance to his club and his town above greed for success and money.

The pity is that he is being made to feel guilty for that loyalty. The club's woes have eased a little in the wake of the sale yesterday of Phil Whitehead, the goalkeeper, to West Bromwich Albion for £250,000, but

there is still an unspoken pressure on Beauchamp to go. "Joey loves this club," Shotton said last week, "but if he does not move on, there might not be any club left to love."

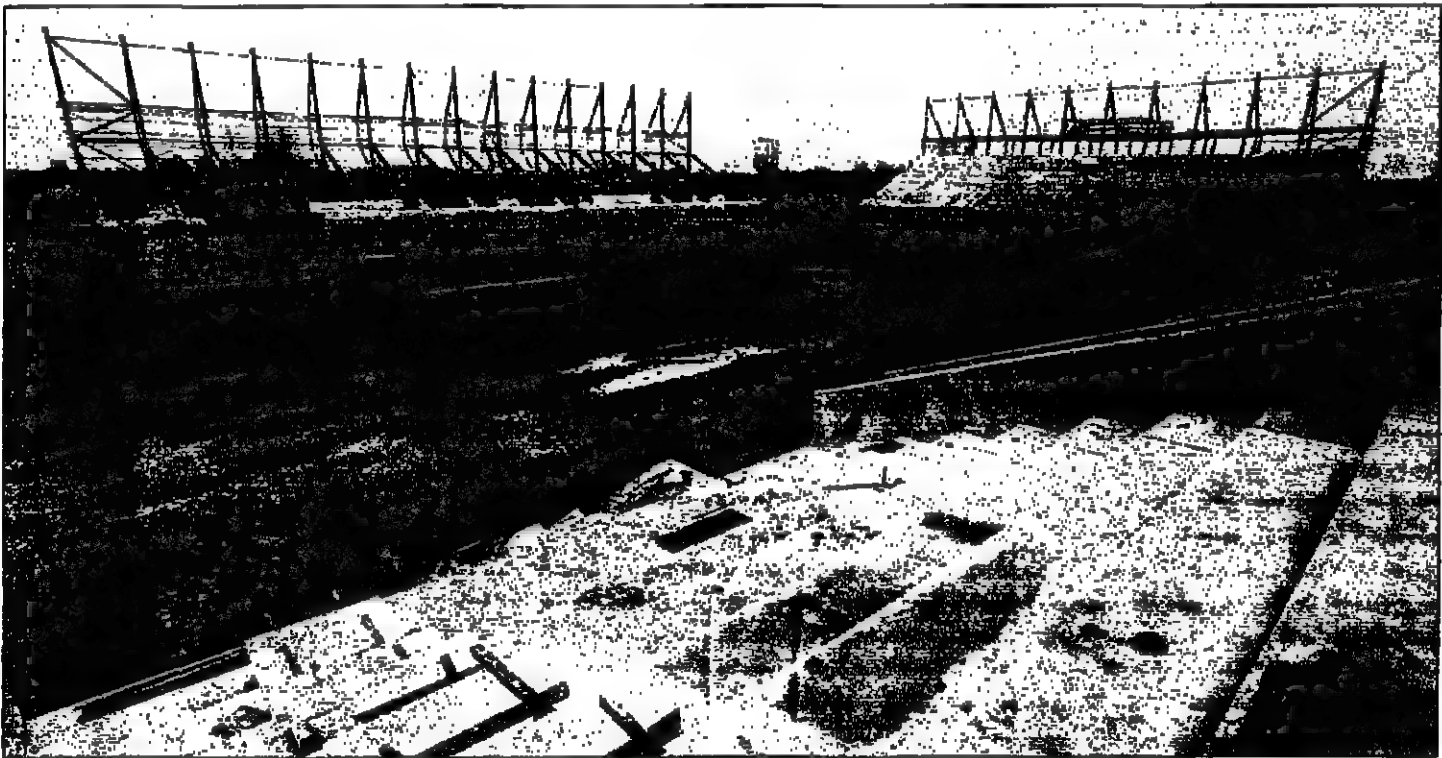
Beauchamp is 27 now, a shy, slightly introverted character who comes alive on the football pitch. He scored 19 goals for Oxford last season playing at left wing. At one stage, Manchester City were said to be willing to pay £1.7 million for him. Fulham wanted him, too. So

did Southampton, Forest and another unnamed FA Premier League club that he did not even want to talk to. They were each willing to pay £800,000.

"I have always said I have no problem with moving on," Beauchamp said yesterday. "It is just that I have turned down the terms other clubs have offered me. I know that the pressure has been on me to go to get money in for the club, but it has to be right for me, too. Things

could turn around here, anyway, if we get new backers in."

"Even when I moved away, to West Ham and then Swindon, I wanted to come back here. They got me on the cheap when I came back and I thought I would stay here for the rest of my career. I would be happy to do that. It is just unfortunate that everyone seems to want to rush my transfer through, but I suppose there are not many other players they could sell for a lot of money."



Construction work on Oxford United's new stadium at Minchery Farm had to be halted because of the club's financial predicament.

## United to keep plenty in reserve

By Russell Kempson

TOTTENHAM Hotspur against Manchester United is a fixture that usually conjures visions of fast, frenetic play, dazzling individual skills and a liberal sprinkling of goals. When they meet in the quarter-finals of the Worthington Cup at White Hart Lane this evening, Tottenham against Manchester United reserves does not quite produce the same sense of anticipation.

Alex Ferguson, the United manager, may not view the competition with open contempt, but he sees it as little more than a tool with which he can manipulate his squad to the best effect.

If United meekly bow out of the cup, as they did against Ipswich Town, of the Nationwide League first division, last season, so be it. Ferguson will note the promising performances of his youngsters and the fitness levels of those previously injured but, ultimately, he will lose no sleep over it.

At least the return of Teddy Sheringham, from recurring injury and regular non-selection, provides an intriguing subplot. The former Tottenham striker has started only two matches this season — the last of which was against Bayern Munich on September 30 — and he will be grateful for the chance to remind Ferguson of his availability for more serious combat.

So, too, among United's many young pretenders, will Ryan Giggs, Ole Gunnar Solskjær and Henning Berg. United's second XI can also prove fairly potent and George Graham, the Tottenham manager, will not be fooled. "They don't really have reserves, do they?" he said. "If they do, then most of them are still household names."

Graham, who won the competition in his first season as manager of Arsenal, said: "It would be great if a similar thing could happen at Tottenham, especially as it still carries the reward of a European place for the winners. This is a massive match for us."

Leicester City, who meet Blackburn Rovers at Elibert Street, also treat the competition with the utmost respect. It is not surprising, perhaps, considering that they won it when it was known as the Coca-Cola Cup two seasons ago.

"Winning it was the highlight of my managerial career," Martin O'Neill, the Leicester manager, said. "You get a taste for those things, I'd love to win it again and I'd love managers to continue to put out reserve sides. I'd love it if they didn't bother to turn up to play us."

Seriously, though, playing in a final at Wembley, and having a European place on offer still has its kudos.

**'I thought I would stay here for the rest of my career. I would be happy to do that'**

In the club offices, where things reportedly have got so bad that they have been accepting gifts of food hampers and free doughnuts from well-wishers, Keith Cox, the club's managing director, is still putting a brave face on Oxford's predicament and Beauchamp's reluctance to leave. In fact, his case is so convincing that one gets the impression that Oxford would not be in their present state if he had been brought in sooner. The staff can be paid now that Whitehead's transfer has gone through, he says, and the level of debt is not quite what it seems. There is still hope that the half-built stadium that stands eerily on the outskirts of the city like some ghostly shipwreck could be completed for the start of next season, if new backers are found.

In addition, now that Beauchamp seems to be staying, they have their best player to rely on, too. "Joey's sort of loyalty and wish to play for his hometown club is almost gone from the game now," Cox said, "and that is something that the fans can relate to. I would not slaughter him for what he has done. However difficult it has made my job in past weeks, I respect his right to stay."

"Now that we have accepted that he is not moving, any negative aspects of the saga are converted to positives because he is a superb player who is wanted by a lot of Premiership clubs and now we know that he will be with us and doing his best for us."

"It is important for him to be honest with himself about whether he ever wants to play for a Premiership club, because when he turned down Fulham and Manchester City, that was the reason he gave. Southampton was a place he could have actually commuted to from Oxford — he could have been one of the prime beneficiaries of the Newbury bypass — but it didn't happen and I think a strong element of why it didn't happen was because he didn't want to go."

## Smith concentrates on job in hand

By Stephen Wood

HIS demeanour suggested that it was his resolve that had been broken, that he was the one who had heaped turmoil on Everton. In fact, Walter Smith, the manager, was the victor in the power struggle at Goodison Park but, in keeping with his dignified character, he eschewed the chance to gloat yesterday and focused solely on the footballing side of his job.

Indeed, if Smith's morale is low, that is of no great surprise because, regardless of the events of the past nine days, he is still in charge of a squad that is more than capable of being relegated from the FA Premier League by the end of the season.

Yesterday, Smith indulged himself in every on-field matter that he could think of, from the possible transfer of Tony Thomas, a reserve-team defender, to Motherwell, to the prospect of Danny Cadamarteri's impending suspension. His private thoughts on Peter Johnson, the outgoing chairman, remained shut.

However, Smith knows better than most on Merseyside what an important breakthrough he has made for the

future welfare of Everton. In standing up to Johnson over the saga of Duncan Ferguson's transfer to Newcastle United, in threatening to resign his position if Johnson did not act in an honourable manner, he achieved what other managers failed to do during Johnson's four-and-a-half-year tenancy.

Mike Walker, Howard Kendall and, in particular, Joe Royle, were all hampered as managers of the club, between 1994 and last season, and the coinciding lack of success

counted against Johnson in his eternal conflict with disgruntled supporters. Now, however, Smith must show that Everton can prosper once more, free of Johnson's debilitating mixture of interference and indifference.

"It's been hectic recently, and I am looking forward to returning to an air of normality," Smith said. "However, I am confident that the upheaval has not affected the playing side of the club, and that is the area that concerns me most."

Everton have put together two successive Premiership victories, but they remain seventh from bottom of the table. With Smith cautious, it was left to Sir Philip Carter, the returning chairman, to dare to look ahead. Sir Philip was chairman in the 1980s, which saw a period of unprecedented success in the club's history, and he said: "I feel I know the club as well as anyone and I hope I am held in high regard by the supporters."

"My job is to get the club back on an even keel and help it to recover. I will work with the management and the

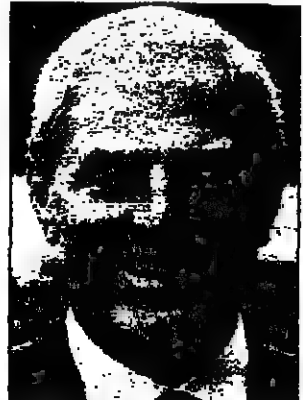
coaching staff to get things right."

Sir Philip and Bill Kenwright, the new vice-chairman, have informed Smith of the club's £15 million overdraft and have reiterated the need to trim the size of the first-team squad. Crucially, however, this will be done in consultation with the manager, not behind his back.

The club is also about to put on hold plans that were first instigated by Johnson to move to a new stadium on the outskirts of Liverpool city centre.



Johnson: selling up



Smith: dignified

EXCLUSIVE OFFER THE TIMES

## The Times Organic Christmas pudding with mead



This year we are offering readers a Christmas pudding made to a new recipe. For the first time, Frances Bissell has been able to develop an organic pudding made to her own recipe by the award-winning Village Bakery in Cumbria, which specialises in organic foods. Not only is the pudding organic, it is also suitable for vegetarians as it contains no animal fats. As well as the traditional vine fruits, the pudding

contains dried apricots, prunes, hazelnuts and walnuts, and — best of all — organic English mead. Weighing 900g, it is suitable for a family and can be reheated by steaming or in the microwave. Full instructions are on the packaging. Serve with traditional brandy butter, fresh cream, vanilla ice-cream or crème fraîche.

Available to readers for only £11.95, including postage and packing.

**THE TIMES ORGANIC CHRISTMAS PUDDING**

My Name/My Miss \_\_\_\_\_  
 Address \_\_\_\_\_  
 Postcode \_\_\_\_\_  
 I enclose a cheque/PO(s) made payable to: The Times FT890  
 Value \_\_\_\_\_ Card No. \_\_\_\_\_  
 Please write name and address on back of all cheques

ITEM	QTY	UNIT PRICE	TOTAL
Organic Pudding	1	£11.95	

Free postage and packaging on all UK orders.

**24-HOUR CREDIT CARD ORDERLINE: 0990 134 459**

CHANGING TIMES

**SCORE WITH A FREE £10 BET**

FOR FIRST TIME TELEPHONE CALLERS staking £25 or more using Switch, Delta or Solo bank or building society debit cards

**RING TODAY 0800 44 40 40**

\*Maximum total overdraft per card £10. Offer valid only on 10/11 Tottenham v Man. Utd. match. (Please place your bet and make your free bet selection within the same call.)

**William Hill**

**LIVE! WORTHINGTON CUP ACTION**

10/11 TOTTENHAM 5/2 DRAW White Hart Lane, Kick-off 7.45pm, Live on Sky. MAN.UTD 9/4

CORRECT SCORE	MAN.UTD	MAN.UTD	MAN.UTD
6/1	1-0	3/1	1-0
8/1	2-0	12/1	2-0
15/2	2-1	11/1	2-1
16/1	3-0	33/1	3-0
14/1	3-1	28/1	3-1
25/1	3-2	25/1	3-2
10/1	0-0	10/1	0-0
13/2	1-1	13/2	1-1
16/1	2-2	16/1	2-2

Other scores on request.

**FIRST GOALSCORER**

9/2	ARMSTRONG (T)
9/2	FERGAND (M)
7/1	SOLSKJAER (M)
8/1	SHERINGHAM (M)
10/1	ANDERSON (T)
10/1	CRUICK (M)
12/1	FOX (T)
20/1	BUTTS (T)
10/1	NO GOALSCORER

Own goals do not count.

FOR ALL THE MIDWINTER FOOTBALL PRICES SEE CH4 TEXT P001/2/3







Briton's partnership with Wimbledon principal bears fruit

# Wild child throttles back

Jeremy Hart charts how powerboating's uncontrollable force was tamed

Even standing still, Steve Curtis looks as if he is doing 150 miles an hour. Wild and wind-blown, his sun-bleached blond hair is as uncontrollable as the former wild child of Formula One's aquatic cousin, offshore powerboat racing, is himself.

In a waterworld accessorised with diamond-studded Rolexes, monstrous Montecristos and tans as deep as the powerboat glitterati's pockets, Curtis, a triple world champion, is a refreshingly scruffy antidote.

"I first got into the sport at 18 to get rich," the newly crowned 1998 UIM Class One world champion said in Dubai last weekend at the Emirates Grand Prix. "The rest of the racers get rich first and then get into the sport. That's the right way to do it. I am still waiting to make my millions."

It will only be a matter of time before Curtis's bank balance matches his curriculum vitae. This year, the affable Briton with an unbeatable winning average has raced for Norwegian multimillionaire Bjorn Gjelsten, a part-owner of Wimbledon Football Club. The pairing is somewhat ironic. Thirty-four years ago, Curtis was born in the leafy southwest London suburb.

Curtis's deal with 41-year-old Gjelsten was based on a hefty bonus for results scored. The gamble worked. The pair have finished on the podium at every race this year, beating a field of eleven 40-foot catamarans, each worth more than a million pounds and costing the same again to run for the global series of eight races.

Gjelsten might have been a champion Nordic skier in his youth, but he knew next to nothing about powerboating when Kjell Inge Rokke, his business partner, invited him to a race. Gjelsten was hooked, but needed a professional team-mate.

"I had heard about this wild young kid," Gjelsten chortles, remembering his first meeting with Curtis. "I had heard that he was a hell of a throneman, but he pushed on the limit and sometimes over the limit. He had many crashes to his name [including driving a boat onto the beach during the Cowes-Turkey Classic]. That didn't scare me, but I wanted the best throneman possible."

Curtis, though, was enduring a mid-career crisis. He had lost some of his closest powerboating friends, includ-



The calming influence of Gjelsten, left, enabled Curtis to claim his third world trophy in Dubai last month

ing Didier Pironi, an ex-Formula One driver, and Stefano Casiraghi (Princess Caroline of Monaco's husband) to powerboat accidents. Curtis, too, had faced a watery death, at one race in Italy, even being presumed dead after his boat disappeared.

To cap it all, in the mid-Nineties the sport itself looked to be drowning in its own debt and disorganisation.

"The costs of the sport were getting out of hand and the race promoter was not doing

his job properly; we were barely getting any press and TV exposure," Curtis said. "To make matters worse, I had no top-line driver."

Gjelsten rescued Curtis from his enforced sabbatical and placed him in the left-hand seat of his 3000-horsepower catamaran. Spirit of Norway. There, Curtis was back where he belonged, controlling a marine missile's four-speed gearbox, throttles and aerodynamics. Gjelsten, still a rookie, would occupy the

right-hand seat, the driver's seat. "It took me just an hour or two to get the feeling back," Curtis, whose expertise is to judge when to apply and when to cut power to the propellers as the five-ton boat leaps from wave-top to wave-top, said. "Then it was as if I had never been out of the boat."

Winner of almost one in three of the Class One races he has entered, Curtis carried a lot of clout when he joined Gjelsten's Norwegian team. Gjelsten's only previous know-

ledge of boats was growing up in the fishing port of Molde on the North Sea coast of Norway and running one of the world's largest shipbuilding operations.

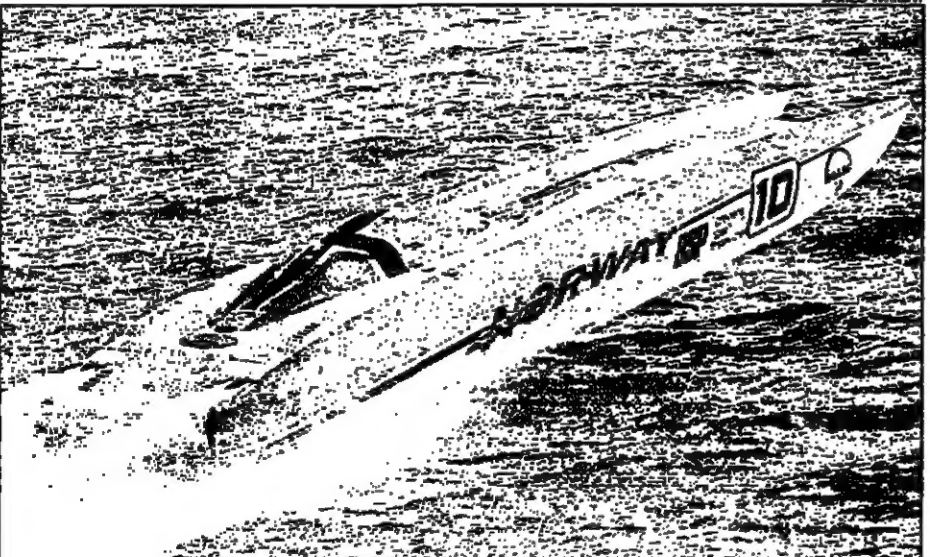
"Last year, we didn't test enough," said Curtis. "But for this year we have not missed a beat. Everything has been tested to the limit, at which point we took a step back and found the parameters at which we could race."

For a fraction of the transfer fee of just one of Wimbledon's finest players, Curtis has given Gjelsten a world title and more trophies than Wimbledon or his Norwegian side, Molde FC, are ever likely to produce. In return, Gjelsten has given Curtis a chance to restart his career.

"I am now a more balanced throneman. I drive slower than before, not too slow, but slow enough to be able to win," Curtis, who won his first offshore race on his 21st birthday, admitted. "Bjorn's man-management and organisation has counted for a lot."

However, Curtis is never likely to be a household name, and is aware of the fact. "I am resigned to the fact that powerboat racing is not about to become a huge spectator sport and that I am not about to become super-rich," he said.

An invitation to the BBC's Sports Personality of the Year awards next month is as good as it will get.



Gjelsten's Spirit of Norway races to the world title in the Dubai Duty Free Grand Prix

## RUGBY LEAGUE

### Britain face testing time in Sydney

By CHRISTOPHER IRVINE

GREAT BRITAIN will meet Australia and New Zealand, in Brisbane and Auckland next October, during the preamble to the inaugural tri-nations final at the new 120,000-capacity Sydney Olympic Stadium on November 5. Dates were set by the Rugby League International Federation, which is meeting in Sydney and will today consider proposals by the British Rugby Football League for the World Cup in 2000 to embrace a possible 16 teams, with the inclusion of Italy and Russia.

The tri-nations competition next year coincides with the rugby union World Cup, but with the British and Australian seasons now running in tandem, there was no room for manoeuvre. As in the 1995 World Cup, it seems likely that there will be separate England and Wales teams in 2000, with Ireland and Scotland, who played in the Emerging World Cup last time, also on board.

A problem with dates is likely to scupper the proposed world club challenge in Bolton between Wigan Warriors and Brisbane Broncos next February. Originally, the match was proposed for Ellis Park, Johannesburg, which has emerged since as a contender for the World Nine early next year.

ITINERARY: Oct 16 1999: New Zealand v Australia (Auckland). Oct 22: Australia v Great Britain, New Zealand v Papua New Guinea (New Zealand). Oct 28: New Zealand v Great Britain, Australia v Victoria (Auckland). Nov 5: New Zealand v Australia (Auckland). Nov 12: New Zealand v Australia (Auckland). Nov 19: New Zealand v Australia (Auckland). Nov 26: New Zealand v Australia (Auckland). Dec 3: New Zealand v Australia (Auckland).

## MOTOR RACING

### Bidders expected to lap up auction

TELEVISION remote in one hand, telephone in the other, it is a dream come true for Formula One's laziest Christmas shoppers. Sky Sports ushers in the world of armchair shopping tomorrow with an auction of Formula One memorabilia that will allow viewers to watch the show and then bid over the phone (Kevin Eason writes). Organised by Brooks, the auction house, the lots are likely to interest a wider audience than simply enthusiasts, ranging across equipment and clothing with resonant historical significance for the sport — like the suede-covered steering wheel used by Ayrton Senna to win the Japanese Grand Prix in 1988.

□ Legends of Formula One. Sky Sports 2, at 8pm tomorrow.

## WORD-WATCHING

Answers on page 43

### SECCHI

(a) A type of opaque white disc which is used in determining the transparency of water. The disc, maintained in a horizontal attitude, is allowed to sink and the depth at which it ceases to be visible from the surface is recorded. The eponym of Angelo Secchi (1818-75), Italian astronomer.

### WOGDON

(a) A duelling pistol made by Robert Wogdon (fl. 1776-1800), the eponym of a noted gunsmith.

### SPAUG

(b) A clumsy, awkward foot. From the Irish spag, James Joyce, Ulysses, 1922: "Taking off his flat spaug and the walk."

### TSUN

(c) A style of Chinese vessel, wide-mouthed or animal-shaped. The Chinese name for it, "tsun" is a generic term (sacrificial vessel) for a wide range of Chinese vessel shapes, generally of the Shang and Chou dynasties (c. 1766-900BC), all of which have an ample interior volume probably meant for containing wine. There are two essential varieties of tsun: one is shaped like a much enlarged ku; the other consists of various animal shapes, often densely embellished with animal decoration.

SOLUTION TO WINNING MOVE  
1 Re5! forces a draw, e.g. 1... cxb3 2 Rg6! bxb3 3 Qxg6! Kf8 4 Qh6! Kf7 5 Qh7! Ke6 6 Qf5! with perpetual check.

## TELEVISION CHOICE

### The gentlewoman's club

Behind Closed Doors  
BBC2, 7.30pm

The only thing this diverting film about the University Women's Club omits to tell us is how much it costs to be a member. Judging by the premises, a large house in the most fashionable part of London with elegant rooms including a magnificent library, it is not cheap. But the club is for special women. These need not be university graduates, the original intention when the club was founded in the late Victorian era, but they are looking for achievers. Among those currently fulfilling this requirement are Sheila Hancock, the actress, Sarah Walker, the opera singer, and Barbara Hay, the British Ambassador to Uzbekistan. In a reversal of what usually happens in London clubland, the women run the show and the men do the work. The club secretary is male and so is the head chef, and both seem happy.

Celebrity Stars in Their Eyes  
ITV, 8.00pm

Carol Vorderman has appeared almost everywhere on television except the weather forecast. But until now she has unaccountably failed to beat a path to the show where hairdressers from Bootle pretend to be famous singers. Not that Vorderman is a hairdresser from Bootle, but the principle is the same. For her singing double she has chosen Cher, not on the face of it (or any other part of the body) a close match but Stars in Their Eyes is noted for the skill of its make-up department. Joining Vorderman in this celebrity edition are five of the cast of Coronation Street, including Jane Danson (who plays Leanne) and Tracy Shaw (Madine) as the spivier and Frank Skinner, wait for it, as Elvis Costello. Matthew Kelly continues to impersonate himself playing the host.

Where Were You? Pride, Passion and Penalties  
BBC1, 9.30pm (not Scotland)

On the sports field English defeats are often remembered as long as victories, particularly if the circumstances were controversial. A recent addition to the canon was the game against Argentina in the 1998 football World Cup, with arguments that raged for weeks afterwards about the two Davids: Beckham for being sent off and



The opera singer Sarah Walker, a member of the University Women's Club (BBC2, 7.30pm)

Barry for missing the vital penalty. A film from the distinguished stable of Denys Cooney Productions reconstructs that bad day in France from facts and views. Some of those interviewed, including Mick Jagger and Ulrika Jonsson, were there. Others are ordinary football supporters who watched in the pub back home. Dressing room and other behind-the-scenes footage helps to capture the atmosphere.

Naked  
BBC2, 9.50pm

The bodies on display tonight belong to people supposedly in their physical prime, a term loosely interpreted to mean anything from the early twenties to mid-thirties. Lucy Blackstad's film again mixes detailed interviews with people prepared to appear before the cameras, though not necessarily to do so unclothed, with shorter contributions from those who happily show us their intimate parts but are apparently too bashful to identify themselves. The point of the series, beyond showing how far nakedness on television can go, remains obscure. Nothing obviously connects the young man who uses his carefully developed frame to make money by stripping in front of screaming women and Susanah, who talks movingly of coming to terms with a body shrivelled by cancer and, in even greater blow to her femininity, losing her hair.

Peter Waymark

## RADIO CHOICE

Manxman  
Radio 4, 11.00am

This is a riveting tale of fact inspired by fiction, though mercifully the distinction is always clear, which recounts the exploits of the great Victorian climber Geoffrey Winthrop Young and George Macaulay Trevelyan. The manhunt in Robert Louis Stevenson's *Kidnapped* inspired Young to invent the Manxman, a three-day chase across the Lake District. It has become legendary in climbing circles. But the programme also seeks to tell the story of mountaineering in this century, a time of unparalleled growth in climbing as something close to a cult activity. And there is much about the real Young, a complex man, long married but secretly gay, who died of a heart attack after losing a leg in the First World War.

RADIO 1 (BBC)

6.00am Zoe Ball 6.30am Simon Mayo 7.00am Kevin Greening 7.15am The World Today 7.30am Mark Radcliffe 8.00am Chris Moyles 8.45am News 9.00am Dave Pearce 9.30am Steve Lamacq 10.00am Evening Session 10.00am Movie Update 10.10am John Peel 10.30am Gilles Peterson 2.00am Chris Warren 4.00am Scott Mills

RADIO 2 (BBC)

6.00am Sarah Kennedy 7.30am Wake Up to Wogan 9.30am Ken Bruce 12.00pm John Inverdale 2.00pm Ed Stewart 5.05pm Johnnie Walker 7.00pm Nick Barnard 8.00pm Mike Harding 8.30pm The Andy Sheppard Show 9.00pm A night at the opera (1918) 10.00pm Radio 2 Classic Albums: Dire Straits' *Brothers in Arms* 10.30pm Richard Allison 11.45pm Following My Star: See Choice 12.00pm Lynn Parsons 3.00am Alex Lester

RADIO 5 LIVE (BBC)

6.00am Morning Reports 6.00am Breakfast with Julian Worricker and Victoria Derbyshire 6.30am Nicky Campbell 12.00pm The Midday News 1.00pm Russell and Co 4.00pm Drive 7.00pm Extra 7.30pm John Inverdale's Football Night: Russia Full of... the Wimbledon Cup Finals action, including: Lottery Result 10.00pm Lorraine 11.00pm Late Night Live 1.00am Up All Night

RADIO 6 (BBC)

6.30am Chris Evans 9.30am Russ Williams 1.00pm Nick Ansell 4.00pm Harriet Scott 7.00pm Mark Radcliffe 10.00pm Mark Forster 1.00am James Mallet 4.30pm Jeremy Clark

RADIO 7 (BBC)

6.00am 94 Overton and Clare Calford 9.00pm Scott Cheshire 12.00pm Lorraine Kelly 2.00pm Anna Rasmussen 4.00pm Peter Dinkley 6.00pm The Sports Zone 8.00pm James White 1.00am Ian Collins

RADIO 3

6.00am On Air with Petroc Trelawny Includes Rosalind (Overture) The Sibelius Ladder, Bach (Italian Concerto, BWV971)  
9.00am Masterworks with Peter Hobday. Includes Tchaikovsky (Waltz, Eugene Onegin); Grieg (Violin Sonata No 3 in C minor, Op 45)  
10.30am 3rd of the World: Richard Baker  
11.00am Sound Stories: Musical Parisians — Offenbach with Richard Baker  
12.00pm Concerto: The Week Mozart  
1.00pm The Radio 3 Lunchtime Concert Toby Spence, tenor, Richard Watkins, horn, Julius Drake, piano Schubert (Auf dem Strom; Erster Versuch, Sebastian Bach, violin, Martin Roscoe, Schwannengasse, Rastbach, Lieder); Schumann (Adagio in A flat, Op 70) (1)  
2.00pm The BBC Orchestras BBC National Orchestra of Wales under the baton of Mark Wigglesworth, piano Rachmaninov (The Isle of the Dead); Brahms (Piano Concerto No 2 in B flat); Beethoven (Symphony No 3 in B flat, Eroica)  
4.00pm Choral Evening Song: Live from the Chapel of Magdalen College, Oxford  
6.00pm In Time Sean Rafferty assesses the life and legacy of the Greek soprano Maria Callas on the 75th anniversary of her birth

BBC WORLD SERVICE

6.00am The World Today 6.30am Sports International 7.00am News 7.15pm The World Today 7.30pm International Live 8.00am News 8.10pm Pause for Thought 8.15pm Westway 8.30pm Everyman 8.00pm News; (845 only) News in German 8.05pm World Business Report 8.15pm The Farming World 9.30pm Britain Now 9.45pm Sports Round-Up 10.00pm Newsweek 10.30pm News 11.00pm Newsweek 11.30pm Sports International 12.00pm News 12.05pm World Business Report 12.15pm Britain Today 12.30pm Seeing Stars 12.45pm Sports Round-Up 1.00pm Newsweek 2.00pm News 2.05pm Outlook 2.30pm Newsweek 2.45pm News in German 3.00pm News 3.05pm Sports Round-Up 3.15pm Performance 3.30pm Everyman 4.00pm News 4.15pm From Our Own Correspondent 4.30pm Insight: (845 only) News in German 4.45pm Britain Today 5.00pm News 5.30pm World Business Report 5.45pm Sports Round-Up 6.00pm Newsweek 6.30pm The World; (845 only) News in German 7.00pm News Summary 7.01pm Outlook 7.25pm Pause for Thought 7.30pm Multitask: X-Press 8.00pm Newsweek 8.05pm News 8.15pm World Business Report 9.15pm Britain Today 9.30pm On Screen 10.00pm Newsweek 10.30pm Insight 10.45pm Sports Round-Up 11.00pm News 11.05pm Outlook 11.25pm Multitask: X-Press 12.00pm Newsweek 12.30pm From Our Own Correspondent 12.45pm Britain Today 1.00pm Newsweek 1.30pm Outlook 1.50pm News 2.30pm Britain Today 3.00pm News 3.05pm World Business Report 3.15pm Sports Round-Up 3.30pm Britain Today 4.00pm The World Today

CLASSIC FM

6.00am Nick Bailey's Essex Breakfast. Scouting music and information updates 8.00am Henry Kelly. The Hall of Fame Hour, and favourite pieces voted for in the Classic FM Top 300 12.00pm Lunchtime Requests. Jane Jones spins listeners' favourite 1.00pm Concerto. Korgoged (Violin Concerto) 3.00pm Jamie Cook. Including Afternoon Performance and Continuous Classics 6.30pm Newsline. Headlines, arts news and guests, presented by John Burningham 7.00pm Smooth Classics at Seven. John Burningham introduces easy-listening sounds 9.00pm Evening Concert. Beethoven (String Quartet in F major) Edgar (Piano Quintet in A minor); Schumann (Fantasy Pieces for Clarinet and Piano); Dvorak (Serenade for Wind, Cello and Bass in D minor) 11.00pm Mann at Night 2.00am Concerto (1) 3.00pm Mark Griffiths

RADIO 4

6.00am On Air with Petroc Trelawny Includes Rosalind (Overture) The Sibelius Ladder, Bach (Italian Concerto, BWV971)  
9.00am Masterworks with Peter Hobday. Includes Tchaikovsky (Waltz, Eugene Onegin); Grieg (Violin Sonata No 3 in C minor, Op 45)  
10.30am 3rd of the World: Richard Baker  
11.00am Sound Stories: Musical Parisians — Offenbach with Richard Baker  
12.00pm Concerto: The Week Mozart  
1.00pm The Radio 3 Lunchtime Concert Toby Spence, tenor, Richard Watkins, horn, Julius Drake, piano Schubert (Auf dem Strom; Erster Versuch, Sebastian Bach, violin, Martin Roscoe, Schwannengasse, Rastbach, Lieder); Schumann (Adagio in A flat, Op 70) (1)  
2.00pm The BBC Orchestras BBC National Orchestra of Wales under the baton of Mark Wigglesworth, piano Rachmaninov (The Isle of the Dead); Brahms (Piano Concerto No 2 in B flat); Beethoven (Symphony No 3 in B flat, Eroica)  
4.00pm Choral Evening Song: Live from the Chapel of Magdalen College, Oxford  
6.00pm In Time Sean Rafferty assesses the life and legacy of the Greek soprano Maria Callas on the 75th anniversary of her birth

RADIO 4

5.30am World News  
5.35am Shipping: Inshore Forecast  
5.45am Prayer for the Day  
5.47am Farming Today Presented by Anna Hill  
6.00am Today Presented by John Humphrys and James Naughton  
6.35am Yesterday in Parliament  
6.00am Midweek with the Times columnist Libby Purves  
6.45am (LW) Daily Service  
6.45am (FM) Barrow's Boys Samuel West reads Fergus Flannery's tale  
10.00am Woman's Hour Joan Armstrong chair to Jenni Murray about a new CD for charity  
11.00am Meridian Sea Choice  
11.30am Paddy Bowles with Jimmy Tarbuck and Rhona Cameron (50)  
12.00pm (LW) News 2 Headlines: Shipping Forecast  
12.00pm (FM) News 12.04pm You and Yours with Mark Whitaker and Trefil Rawlinson  
1.00pm The World at One with Nick Clarke  
1.30pm Wilford Brimley Lorraine Kelly chairs the third heat of the middle age quiz from Lancashire  
2.00pm The Archers (1)  
2.15pm The Golden Triangle: The Order of Release by Robin Brooks. John Ruskin insists: Millais paint a picture of the wife — but her beauty and character make it an impossible task. With Bob Peck, David Tennant and Sharon Small  
3.00pm Gardeners' Question Time (1)  
3.30pm Songlines: Happy Birthday (35)  
3.45pm Gregory's Leap Andy Rivers reads Ray Jenkins's story about a priest whose faith in God is renewed by a boy on a skateboard  
4.00pm Case Notes Graham Easton discovers how ten years of campaigning and research has helped HIV and AIDS sufferers  
4.30pm Thinking Allowed Laune Taylor encourages his guests to challenge popular convention

5.00pm PM with Chris Lowe and Eddie Mer

6.00pm 50's Clock News  
6.30pm Bookclub: Dillie Keane, Roger McGough, David Stratford and Arthur Smith take part in the light-hearted panel game, chaired by Ian McMillan

7.00pm The Archers 7.15pm Front Row Mark Lawson reviews the RSC's stage version of C.S. Lewis's classic tale The Lion, the Witch and the Wardrobe

7.45pm Still Waters by Ann Marie Di Mambro and Carly Phillips (1)

8.00pm A Life Worth Living A debate on whether leading scientists, carried away by the possibilities of genetic research, are making dangerous assumptions about the value of disabled people in society

8.45pm Better Than Sex Maura Doyle describes the engagement she derives from finding invitations on the marketplace

9.00pm Costing the Earth A report on allegations from Brussels five years ago that the nation's polluting the North Sea were polluting their own backyard

9.30pm Midweek (1) 10.00pm The World Tonight  
10.00pm Book at Bedtime: Another World Robert Gielstein reads part eight of Pat Barker's tale

11.00pm Late Night on 4: Children's Hour with Armstrong and Miller New series. Offbeat comedy about a brightly clever radio show, written by and starring Ben Miller and Alexander Armstrong

11.30pm (LW) Today in Parliament  
11.30pm (FM) Radio Shuttleworth (1)  
12.00pm News 12.04pm The Late Book: A Man in Full William Hoynes reads part 13 of Tom Wolfe's new novel

12.45pm Shipping Forecast 1.00am As World Service

FREQUENCY GUIDE. RADIO 1, FM 97.6-99.8. RADIO 2, FM 88.0-90.2. RADIO 3, FM 90.2-92.4. RADIO 4, FM 92.4-94.6. LW 126. MW 720. RADIO 5 LIVE, MW 693, 909. WORLD SERVICE, MW 940, LW 159 (12.45-5.55am). CLASSIC FM, FM 100-102. VIRGIN RADIO, FM 105.8; MW 1197, 1215. TALK RADIO, MW 1068, 1089. Television and radio listings compiled by Ian Hughes, Rosemary Smith, Susan Thomson, Jane Gregory and John McNamara.

**PRIMUS**  
GLOBAL Network • GLOBAL Savings • GLOBAL Sense

	Primus	BT	Saving
NATIONAL RATES	5p	8p	38%
AUSTRALIA	13p	49p	73%
CHINA	39p	108p	64%
AUSTRIA	15p	39p	62%
HONG KONG	15p	58p	74%
NEW ZEALAND	13p	49p	73%
ISRAEL	15p	79p	81%
JAPAN	16p	67p	76%
CHILI	38p	131p	71%
USA	7p	24p	71%

ALL RATES ARE INCLUSIVE OF VAT AND INTERNATIONAL RATES APPLY ALL DAY EVERY DAY

• FREE CALLS WHEN YOU RE-CHARGE\*  
• NO LINE CHARGE  
• NO INSTALLATION REQUIRED  
• NO NUMBER CHANGE REQUIRED

you'd be crazy not to talk with primus.  
Call free on 0800 036 0007

All prices shown are inclusive of VAT, are in pence per minute, and have been rounded to the nearest penny. Calls are charged for the first twelve seconds, there after in every second increments. Comparison made between Primus Pre-Paid rates and BT standard daytime rates. Calls from payphones and mobile phones may be subject to a surcharge. \*Free call bonus is subject to an initial minimum spend of £25 and is awarded every time you re-charge a minimum of £25 thereafter. Any payments or re-charges made before 27.4.98 are excluded from this promotion. Please call for full details.









## BOXING 45

Walker returns to centre stage as Board steward

## SPORT

WEDNESDAY DECEMBER 2 1998

## POWERBOATING 46

Wild thing throttles back on speed to leap up rankings



## Cricket ready for change

## Counties to heed toll of division bell

By RICHARD HOBSON

OFFICIALS of the county cricket clubs are braced to make the most radical change to the structure of the first-class game in England this century. Over the next two days, they seem almost certain to reverse their decision of a year ago and vote for the introduction of a two-division championship from 2000 onwards in an attempt to improve the wellbeing of the national side.

Worries that the change would endanger the financial viability of those counties in the second division have been assuaged by the England and Wales Cricket Board (ECB). The television deal struck with Channel 4 and BSkyB seven weeks ago, worth £103 million over four years, means the Board is in a position to make the necessary undertakings.

Last year the First Class Forum of the ECB — comprising the 18 counties and MCC — voted 12-7 against two divisions. At Lord's today and tomorrow a shift in just three votes will be sufficient to alter dramatically a competition whose structure has remained largely unchanged since being rationalised in 1990.

Research by *The Times* yesterday revealed that, so long as guarantees are in place, Gloucestershire, Kent, Leicestershire, Northamptonshire, Derbyshire and Sussex are prepared to join together with

Worcestershire and the six counties with headquarters at Test match grounds, who supported the two-division proposal in 1997.

When the chairmen and chief executives assembled at a consultative meeting in October the feeling was that change had to follow to narrow the gap between international and county cricket. Under the proposal each division will have nine counties with three sides promoted and relegated every season. The top nine in the table next year will form the first division in 2000.

Troubled Cork...43  
MacGill lying in wait...43

The words of David Collier, the Leicestershire chief executive, were typical. "We will listen to the arguments on the day, but we very much want to support it provided there is a proper budget and business plan laid down to back it up," he said.

Colin Sextone, his counterpart at Gloucestershire, stressed the importance of avoiding a free-for-all in the movement of players, which he believes would threaten the livelihood of the smaller counties. He said: "We are probably going to go along

with it, as long as there are financial and registration safeguards. I am sure the Board would agree with that."

Indeed, having been caught out last year, it is inconceivable that the Board will be as poorly prepared this time around. Tim Lamb, the ECB chief executive, said: "England's performances continue to be inconsistent and we have been able to provide much more information to accompany the basic proposal for a two-division championship. Counties generally feel a little bit more comfortable with the idea."

If "no change is not an option", to quote the mantra of the Board, then the alternative is a proposal whereby the 18 counties split into six geographical areas of three counties each, from which 14-man squads will be chosen. Sides will compete on a round-robin basis at the beginning of the season, overlapping the opening stages of a championship campaign retaining its existing format. After the regional games, players will return to their counties for normal duty. A cynical interpretation is that this convoluted idea is on the table merely to make the simplicity of two divisions more attractive.

While the move towards two divisions represents a bold step, then final agreement on the contracting of England players to the Board appears to be a leap too far. Such a move is surely inevitable with the enlargement of the summer international programme to seven Tests and ten one-day internationals from 2000, but there is time to defer a decision until 1999.

Herein lies a great irony. The superiority of the "new" division one will be negated to an extent by the absence of the best players on England duty. It is already a weakness of the championship that the winners are often the county with the most players who are nearly, but not quite, good enough for international cricket and are therefore available for an entire summer.

One feature of the 1998 season was the lack of resistance shown by all too many counties in retrieving poor positions. A proposal to reduce the number of points for a win from 16 to 12, while increasing from three to four those available for a draw next season, ought to discourage the meek acquiescence that left the championship open to criticism of being a comfort zone. Also on the agenda is the idea of playing second XI games on uncovered pitches. Those old enough to remember the days before full covering in 1981 speak of a subsequent decline in technique among batsmen and accuracy among bowlers. With most of the delegates fitting into this category the resolution has every chance of succeeding.



Christian Panucci, left, and Fernando Sanz celebrate Real Madrid's victory over Vasco da Gama in the World Club Cup

## Real extend Europe's run

REAL MADRID were crowned world club champions for the first time since 1960 when they beat Vasco da Gama, of Brazil, 2-1 to win the World Club Cup in Tokyo yesterday. Marshalled superbly by Fernando Hierro and Manuel Sanchis at the back and inspired by Raúl in attack, Real gave a battling display that was ultimately too good for the Brazilians, who mixed some excellent approach play with periods of sluggish mediocrity.

Real went ahead after 25 minutes when Roberto Carlos whipped a speculative cross into the Vasco da Gama penalty area, where Naza, standing alone six metres from goal, appeared to lose his sense of direction and headed the ball past Carlos Germano, his goalkeeper, and into the net.

The Brazilians changed their tactics in the second half, hitting longer balls that put the Real defence under increasing pressure, and in

the 57th minute they were rewarded. Bodo Illgner, the Real goalkeeper, parried two shots at close range but the clearance fell to Juninho, whose better-known namesake plays for Atlético Madrid. Juninho trapped the ball with his left foot, cut inside a defender and unleashed an unstoppable rising shot with his right foot from 18 metres out.

Both teams went close to taking the lead in the last half-hour but Raúl scored the winner seven minutes from time when he eluded two defenders before curling a right-foot shot wide of Germano.

Real, whose only previous victory came in the inaugural match, follow Ajax (1995), Juventus (1996) and Borussia Dortmund (1997) as recent European winners — the first time that the European representative has triumphed in four successive seasons. South American clubs still lead 20-17 overall.

## Rovers' move for Kidd is rebuffed

By STEPHEN WOOD

BLACKBURN Rovers yesterday insisted their attempts to find a new manager were progressing well, although evidence to support that claim was rather scant.

Blackburn, searching for a successor to Roy Hodgson, who was sacked with the club bottom of the FA Carling Premiership, have drawn up a shortlist of targets, believed to contain five names. The list is down to three names today, however, after they were told that Brian Kidd and Colin Hendry are not available.

Kidd, the assistant manager to Alex Ferguson at Manchester United, was pinpointed as a perfect replacement by Jack Walker, the Blackburn owner, last week. Yesterday, Walker approached Martin Edwards, the United chairman, for permission to speak to Kidd, but was spurned in no uncertain terms. Edwards said: "They can only ask, but we have refused. I have told Brian of the situation and he accepts it. The point is that Brian approached us in the summer about a new contract and we arranged a new, four-year deal for him."

Walker is prepared to offer Kidd a basic salary of £500,000 a year, four times more than his current salary at Old Trafford. Ferguson said: "I don't want to even contemplate the thought of Kidd leaving. I don't think he would want to, anyway."

Tony Parkes, the caretaker manager at Blackburn, added two provisos, when he said: "Jack Walker has the money and the desire to return the club to its rightful position at the top of the Premiership, and what he wants he usually gets. I believe it will come down to how much Brian Kidd wants to be a manager."

Hendry, who left Blackburn last summer to join Rangers, of the Scottish Premier League, initially implied he might be interested in a player-manager position at Blackburn. However, yesterday, he said: "Management is something that will happen later. For the moment, my playing career carries on."

Thwarted on those two fronts, Blackburn are likely to turn to the other candidates such as Roy Evans, John Barnes and Howard Wilkinson. They would also be interested in taking Martin O'Neill from Leicester City, if O'Neill does not settle his internal disputes at Filbert Street.

## THE SPLIT DECISION

Based on last season, a two-division championship in 1999 would look like this

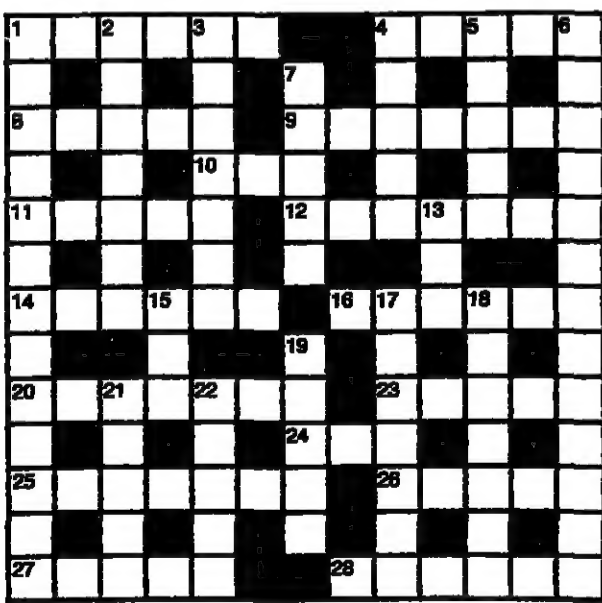
## FIRST DIVISION

Leicestershire  
Lancashire  
Hampshire  
Gloucestershire  
Sussex  
Hants  
Somerset

## SECOND DIVISION

Derbyshire  
Kent  
Worcestershire  
Gloucestershire  
Durham  
Northamptonshire  
Nottinghamshire  
Middlesex  
Essex

## TIMES TWO CROSSWORD



No 1578

## ACROSS

- 1 Flag, its bearer (6)
- 4 Undress; (garment) clothes (5)
- 8 Squeaks victim, dies young (Children) (5)
- 9 More wonderful: water find-er (7)
- 10 In the past (3)
- 11 Straight (theatre) (abbr.) (5)
- 12 Walling Irish spirit (7)
- 14 Jerz winc (6)
- 16 Situated at intervals (6)
- 20 Chess after queens exchanged (7)
- 23 Amusing: a magazine (5)
- 24 Child's bed (3)
- 25 Tendency to stay put: laziness (loosely) (7)
- 26 Customary (5)
- 27 Feeling vertiginous (5)

## SOLUTION TO NO 1577

- ACROSS: 1 Wreath 5 Swab 9 Popular 10 Actual  
11 Misogyny 12 O'Casey 15 Shalom 18 Peter Pan  
20 Sample 22 Drifter 23 Sage 24 Defend  
DOWN: 2 Repair 3 Asphodel 4 Holly 6 Whet 7 Berate  
8 Crayon 13 Apterilif 14 Impede 16 Hiatus 17 Patron  
19 Triad 21 Plug

## THE TIMES BOOKSHOP

NEW TIMES CROSSWORD TITLES NOW AVAILABLE!  
The Times Crossword Book 1 (ISBN 0 09 471 000 0) The Times Crossword Book 2 (ISBN 0 09 471 001 7) The Times Crossword Book 3 (ISBN 0 09 471 002 4) The Times Crossword Book 4 (ISBN 0 09 471 003 1) The Times Crossword Book 5 (ISBN 0 09 471 004 8) The Times Crossword Book 6 (ISBN 0 09 471 005 5) The Times Crossword Book 7 (ISBN 0 09 471 006 2) The Times Crossword Book 8 (ISBN 0 09 471 007 9) The Times Crossword Book 9 (ISBN 0 09 471 008 6) The Times Crossword Book 10 (ISBN 0 09 471 009 3) The Times Crossword Book 11 (ISBN 0 09 471 010 0) The Times Crossword Book 12 (ISBN 0 09 471 011 7) The Times Crossword Book 13 (ISBN 0 09 471 012 4) The Times Crossword Book 14 (ISBN 0 09 471 013 1) The Times Crossword Book 15 (ISBN 0 09 471 014 8) The Times Crossword Book 16 (ISBN 0 09 471 015 5) The Times Crossword Book 17 (ISBN 0 09 471 016 2) The Times Crossword Book 18 (ISBN 0 09 471 017 9) The Times Crossword Book 19 (ISBN 0 09 471 018 6) The Times Crossword Book 20 (ISBN 0 09 471 019 3) The Times Crossword Book 21 (ISBN 0 09 471 020 0) The Times Crossword Book 22 (ISBN 0 09 471 021 7) The Times Crossword Book 23 (ISBN 0 09 471 022 4) The Times Crossword Book 24 (ISBN 0 09 471 023 1) The Times Crossword Book 25 (ISBN 0 09 471 024 8) The Times Crossword Book 26 (ISBN 0 09 471 025 5) The Times Crossword Book 27 (ISBN 0 09 471 026 2) The Times Crossword Book 28 (ISBN 0 09 471 027 9) The Times Crossword Book 29 (ISBN 0 09 471 028 6) The Times Crossword Book 30 (ISBN 0 09 471 029 3) The Times Crossword Book 31 (ISBN 0 09 471 030 0) The Times Crossword Book 32 (ISBN 0 09 471 031 7) The Times Crossword Book 33 (ISBN 0 09 471 032 4) The Times Crossword Book 34 (ISBN 0 09 471 033 1) The Times Crossword Book 35 (ISBN 0 09 471 034 8) The Times Crossword Book 36 (ISBN 0 09 471 035 5) The Times Crossword Book 37 (ISBN 0 09 471 036 2) The Times Crossword Book 38 (ISBN 0 09 471 037 9) The Times Crossword Book 39 (ISBN 0 09 471 038 6) The Times Crossword Book 40 (ISBN 0 09 471 039 3) The Times Crossword Book 41 (ISBN 0 09 471 040 0) The Times Crossword Book 42 (ISBN 0 09 471 041 7) The Times Crossword Book 43 (ISBN 0 09 471 042 4) The Times Crossword Book 44 (ISBN 0 09 471 043 1) The Times Crossword Book 45 (ISBN 0 09 471 044 8) The Times Crossword Book 46 (ISBN 0 09 471 045 5) The Times Crossword Book 47 (ISBN 0 09 471 046 2) The Times Crossword Book 48 (ISBN 0 09 471 047 9) The Times Crossword Book 49 (ISBN 0 09 471 048 6) The Times Crossword Book 50 (ISBN 0 09 471 049 3) The Times Crossword Book 51 (ISBN 0 09 471 050 0) The Times Crossword Book 52 (ISBN 0 09 471 051 7) The Times Crossword Book 53 (ISBN 0 09 471 052 4) The Times Crossword Book 54 (ISBN 0 09 471 053 1) The Times Crossword Book 55 (ISBN 0 09 471 054 8) The Times Crossword Book 56 (ISBN 0 09 471 055 5) The Times Crossword Book 57 (ISBN 0 09 471 056 2) The Times Crossword Book 58 (ISBN 0 09 471 057 9) The Times Crossword Book 59 (ISBN 0 09 471 058 6) The Times Crossword Book 60 (ISBN 0 09 471 059 3) The Times Crossword Book 61 (ISBN 0 09 471 060 0) The Times Crossword Book 62 (ISBN 0 09 471 061 7) The Times Crossword Book 63 (ISBN 0 09 471 062 4) The Times Crossword Book 64 (ISBN 0 09 471 063 1) The Times Crossword Book 65 (ISBN 0 09 471 064 8) The Times Crossword Book 66 (ISBN 0 09 471 065 5) The Times Crossword Book 67 (ISBN 0 09 471 066 2) The Times Crossword Book 68 (ISBN 0 09 471 067 9) The Times Crossword Book 69 (ISBN 0 09 471 068 6) The Times Crossword Book 70 (ISBN 0 09 471 069 3) The Times Crossword Book 71 (ISBN 0 09 471 070 0) The Times Crossword Book 72 (ISBN 0 09 471 071 7) The Times Crossword Book 73 (ISBN 0 09 471 072 4) The Times Crossword Book 74 (ISBN 0 09 471 073 1) The Times Crossword Book 75 (ISBN 0 09 471 074 8) The Times Crossword Book 76 (ISBN 0 09 471 075 5) The Times Crossword Book 77 (ISBN 0 09 471 076 2) The Times Crossword Book 78 (ISBN 0 09 471 077 9) The Times Crossword Book 79 (ISBN 0 09 471 078 6) The Times Crossword Book 80 (ISBN 0 09 471 079 3) The Times Crossword Book 81 (ISBN 0 09 471 080 0) The Times Crossword Book 82 (ISBN 0 09 471 081 7) The Times Crossword Book 83 (ISBN 0 09 471 082 4) The Times Crossword Book 84 (ISBN 0 09 471 083 1) The Times Crossword Book 85 (ISBN 0 09 471 084 8) The Times Crossword Book 86 (ISBN 0 09 471 085 5) The Times Crossword Book 87 (ISBN 0 09 471 086 2) The Times Crossword Book 88 (ISBN 0 09 471 087 9) The Times Crossword Book 89 (ISBN 0 09 471 088 6) The Times Crossword Book 90 (ISBN 0 09 471 089 3) The Times Crossword Book 91 (ISBN 0 09 471 090 0) The Times Crossword Book 92 (ISBN 0 09 471 091 7) The Times Crossword Book 93 (ISBN 0 09 471 092 4) The Times Crossword Book 94 (ISBN 0 09 471 093 1) The Times Crossword Book 95 (ISBN 0 09 471 094 8) The Times Crossword Book 96 (ISBN 0 09 471 095 5) The Times Crossword Book 97 (ISBN 0 09 471 096 2) The Times Crossword Book 98 (ISBN 0 09 471 097 9) The Times Crossword Book 99 (ISBN 0 09 471 098 6) The Times Crossword Book 100 (ISBN 0 09 471 099 3)

## England suffer Perry blow

By DAVID HANDS, RUGBY CORRESPONDENT

MATT PERRY, the young Bath full back, will miss the international between England and South Africa at Twickenham on Saturday after being concussed in the closing stages of the game with Australia. He will take the mandatory three-week rest which leaves a place open for Nick Beal, of Northampton, or Mike Catt, depending on injuries elsewhere in the squad.

Perry, 21, has missed only one game since winning the first of his 14 caps against Australia last year, that against France in February. His scorching run established the position from which Jeremy Guscott scored the only try of the match last Saturday and there was no obvious sign of concussion in the immediate aftermath.

However, the England medical team ruled him out when the squad assembled yesterday, a squad augmented by David Rees, the Sale wing, and Alex King, the Wasps fly-half. It has taken Rees eight

months to overcome a groin injury, but he is an obvious threat to Austin Healey's place while King provides cover in the event of Paul Grayson being unable to play.

Grayson's condition, along with that of Will Greenwood, of Leicester, will be monitored today before the England

team is named tomorrow. If the Northampton fly half has not recovered fully from a knee injury, Catt is likely to play in the No 10 jersey: the thoughts of Clive Woodward, the England coach, might have strayed to Jonathan Wilkinson, who played fly half against Australia and New

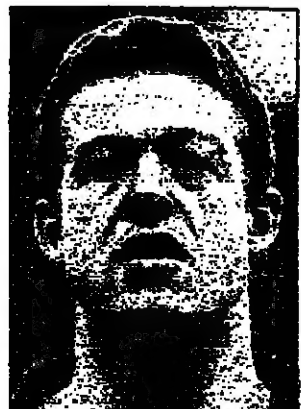
Zealand during the summer tour of the southern hemisphere, but Wilkinson is also injured and misses not only a senior chance but a place in the under-21 international between England and South Africa that precedes the main event at Twickenham.

Neither Garath Archer, displaced at lock by Tim Rodber, nor Tom Beim are required for squad training but Beal's hopes of a recall will be justifiably high. His form at full back has been a significant part of Northampton's rise to the top of the first division in the Allied Dunbar Premiership and, at 6ft 2in and 15st, he is very much in the modern idiom of backs with a powerful physique.

The last of his six international appearances was as a replacement against The Netherlands last month, but he was capped three times in the southern hemisphere at centre.



Perry: concussed



Beal: opportunity

Match overload, page 42

ZENITH  
Swiss watchmakers since 1865  
LIFE IS IN THE MOVEMENT

FLY-BACK  
El Primero



FOR YOUR  
NEAREST STOCKIST  
FREEPHONE 0800 731 8741

ZENITH TIME CO. (GB) LTD  
INTERNET: <http://www.zenith-watches.ch>